

2019-2020 REVIEW

INTEGRATED DEVELOPMENT PLAN 2017-2022



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**GLOSSARY OF TERMS**

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CHDM	Chris Hani District Municipality
CHARTO	Chris Hani Regional Tourism Organisation
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism (Also known as DEA)
DFA	Development Facilitation Act No 67 of 1995
DLA	Department of Land Affairs
DLGH	Department of Local Government
DM	District Municipality
DME	Department of Mineral and Energy
DRDAR	Department of Rural Development and Agrarian Reform
DRLR	Department of Rural Development and Land Reform
DoE	Department of Education
DoH	Department of Health
DHS	Department of Human Settlements
DoSD	Department of Social Development
DoT	Department of Transport
DPLG	Department of Provincial and Local Government (National)
DRPW	Department of Roads and Public Works
DSRAC	Department of Sport, Recreational, Arts & Culture
DWS	Department of Water and Sanitation
ECA	Environmental Conservation Act



EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBS	Free Basic Services

ECDC	Eastern Cape Development Corporation
ECPGDS	Eastern Cape Provincial Growth & Development Strategy
EXCO	Executive Committee
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication & Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
LDO	Land Development Objectives
LED	Local Economic Development
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSA	Municipal Systems Act, 2000
MSA	Municipal Structures Act, 1998
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator



NGO	Non-Governmental Organizations
NSS	National Sanitation Strategy
PAJA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RAFI	Rural Agro-Industries Finance Initiative
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
RTP	Responsible Tourism Planning
SMME	Small Medium and Micron Enterprises
SoE	State Owned Enterprises
SoR	State of Environment Report
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan



FOREWORD BY MAYOR

“#Thuma Mina-to build the Mzantsi i want” is a pronouncement that was made by President Cyril Ramaphosa, to intensify service delivery efforts and interactions with our communities and encourage political visibility to communities. Our municipality with the district the call and embarked on campaigns including clean-up campaigns in both towns.

On the 8th May 2019, South Africa will hold its 6th general elections. These elections are held a time where our government has been unravelled in corruption, maladministration and increased service delivery protests. Our municipality is not immune from the challenges, as the past financial year has been a difficult year for the municipality with the political stability and community protests that resulted in the closure of offices, affecting service delivery. Our municipality has further been listed as one of the municipality that are financially distressed. This has an impact on the delivery of services to our communities.

In the mist of all the challenges that the municipality is faced with, it has received an Unqualified Audit Opinion from the Auditor-General for the 2017/18 financial year, this is a continuous achievement that we aim to maintain in all successive years and even go higher

The Municipal Systems Act, 32 of 2000 requires all municipalities to develop 5 year Integrated Development plans and reviewed annually. Sakhisizwe municipality has reviewed its IDP for the 2019/20 in line with the approved IDP process plan and engaged in a consultation process to ensure that communities become part of the planning and decision making processes. The review of the IDP document therefore serves as a basis upon which the municipality can implement strategic objectives whilst encouraging economic growth and development to improve the quality lives of our people.

As we work towards changing and improving the lives of the citizens of Sakhisizwe, we are required to ensure proper municipal governance and enhancing government efficiency. We strive to improve efficiencies on several facades such as the fully functioning of the Municipal Public Accounts Committee (MPAC) and the Municipal Audit, Risk and Performance Committee. The municipality also has an obligation to equip our staff with the necessary skills in order to improve efficiency.

During the State Of Nation Address, 2019 by the president, he stated that “agriculture and tourism had been identified as a key job driver. Sakhisizwe municipal area’s strength is in tourism and agriculture. As the municipality, we are committing to support and promote these sectors. Expanded Public Works Programme (EPWP) which more than any programme helps us to absorb many of our communities into sustainable jobs

Sakhisizwe Municipality strive to promote social, political and economic development and empowerment to its communities by delivery of quality services, improved community participation, promoting local economic development and creating a smart administration.

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Cllr B. Ntsere

MUNICIPAL MAYOR



CHAPTER 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Municipal Systems Act, 2000 (Act 32 of 2000) states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which (a) links, integrates and coordinates plans and takes into account proposals for the development of the municipality (b) aligns the resources and capacity of the municipality with the implementation of the plan and (c) forms the policy framework and general basis on which annual budgets must be based.

In line with the Municipal Systems Act (MSA) and the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Sakhisizwe Municipality has developed its five-year IDP for 2017–2022, which is supported by the Medium-term Revenue and Expenditure Framework (MTREF) for the 2017–2020 financial years. This is the third review of the 2017- 2022 IDP and is premised key strategic goals that the Council resolved in during the development of the 5 year IDP in 2016.

This IDP review has not amended the agreed vision and mission of the municipal council ever since it was amended in Mountain Shadow at our Strategic Plan in 2016.

The document also provides a detailed list of programmes and projects to be implemented in attempting to reverse the development challenge outlined above. It further provides a framework for ensuring smooth integration, alignment and synergy in the implementation of this IDP's intention. It concludes with the outline of the processes followed in approving this IDP review for implementation.

OBJECTIVES OF THIS REVIEW

The main objectives of this review are to:

- Identify the progress, gaps and challenges in the provision of services
- Comply with legal requirements in terms of LG MSA of 2000
- Update our planning information and integrate ward based planning
- Improve credibility of our IDP document
- Address the concerns and comments made by MEC on our previous document so that we may achieve a credible plan
- Correct and prevent recurrence of the issues relating to the alignment of Planning, Governance and Performance Management processes raised as concerns to the Auditor General (AG) in our annual reports

1.2 PROCESS FOR THE REVIEW OF THE 2019-2020 IDP

The process followed in the review of this IDP document is in line with the legislative requirements of both the Municipal Systems Act and the Municipal Finance Management Act, which is detailed in the IDP/Budget and PMS Process Plan. The Process Plan outlines the roles and responsibilities of all key role players in the IDP review process, outlines the public participation and mechanisms for alignment as well as timeframes for each phase of the IDP. The process was adopted by Council in August 2018

1.2.1 Pre-Planning

In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process plan.

Further, the Local government Municipal Finance Management Act 56 of 2003 provides for the Mayor/Speaker of the municipality to:



- Co-ordinate the process for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies,
- Ensure that tabled budget and revisions of the integrated development and budget related policies are mutually consistent and credible.

Sakhisizwe council adopted its process plan for the review of the 2019/2020 IDP by 28 August 2018.

1.2.2 Organisational Arrangements

The following arrangements have been set in place to institutionalize community/ stakeholder participation and also to enable the municipality to manage the drafting of the IDP Review. Through these platforms, municipal stakeholders will be empowered to contribute, influence and inform decision making relating to municipal affairs and general issues relating to service delivery and planning.

1.2.2.1 IDP Steering Committee

The IDP steering committee comprising largely of internal senior management is tasked to: ▪

- Provide technical and advisory support to the IDP Manager and drafting team
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council and Mayor
- Commission in depth studies when necessary
- Act as the secretariat for the IDP Representative Forum.

IDP Steering Committee work sessions and meetings may, from time to time be arranged by the IDP manager or his/her delegate in order to implement this process plan. Ideally, these sessions would precede the representative forum workshops.

1.2.2.2 IDP Representative Forum

The IDP representative forum forms the main platform for broad consultations and debates on issues and policy recommendations. It is chaired by the Mayor and composed of representatives across our stakeholder community including but not limited to the following institutions or interest groups:

- Secretariat of IDP steering committee or the drafting team
- Councillors, Ward Committees and Community development workers
- Government Organs including Sector Departments, State Owned Entities and our District Municipality
- Business Formations
- Youth Formations
- Rate payers association
- Traditional Leaders
- Civic bodies & Community Organizations (NGO's, CBOs etc.)

IDP representative forum workshops or meetings shall be convened by the Mayor from time to time in order to consult municipal stakeholders on critical issues relating to municipal planning and decision-making in general.

1.2.3 ACTIVITY PROCESS PLAN

The following table illustrates the 2019/20 IDP review action programme and also gives an indication to the planning activities that will be undertaken in a calendar format. This action plan incorporates the IDP, Budget and PMS programmes.

In conclusion the municipality will continue to provide efficient, effectiveness and financial management prudence remain the key priority for good governance and administration in the municipality in order to achieve service delivery and good governance.



SAKHISIZWE LOCAL MUNICIPALITY 2019/2020 IDP/ BUDGET-PM PROCESS PLAN		
	Time Frame	Responsible Department
Preparation Phase / Pre-planning		
Q3 Performance Reviews	12-13 July 2018	MM
District Planners Coordinating Forum	01 August 2018	IPED
Audit Committee meeting	31 July 2018	MM
Signing of Performance Agreements by HOD's	31 July 2018	MM
IDP Steering Committee	19 August 2018	IPED
Budget Steering Committee	24 July 2018	BTO
Council Approval of Framework Plan & Process Plans (IDP & Budget)	28 August 2018	MM
Submission of APR and AFS to AG & Treasury	31st August 2018	IPED
Q4 and 2017/18 Annual Performance Assessment	08 August 2018	MM
Advertise Adopted IDP/Budget Process Plan	03-Sep-18	IPED
Technical IGR Meeting	25 July 2018	MM
Ordinary Council meeting	20-Sep-18	MM
Analysis Phase / Monitoring and Evaluation		
Situational Analysis Review	July - October 2018	All Depts. Championed by HOD's
IDP Steering Committee- Outline the 2019/2020 Situational Analysis Review Process	02 August 2018	IPED
CHDM Rep Forum	13 September 2018	IPED
1ST Quarter Institutional Performance Assessments	11-12 October 2018	MM
Risk management committee meeting	18-Oct-18	MM
Budget Steering Committee	15 November 2018	BTO
Audit Committee & Performance Committee	25-Oct-18	MM
IDP/Budget/PMS Rep	21 November 2018	IPED
IDP/PMS/Budget Steering Committee meeting	13 November 2018	MM
Technical IGR Meeting	31 October 2018	IPED
IDP/PMS Managers Session	Nov-17	IPED
District Mayors Forum	22 November 2018	MM/IPED
IDP/PMS/Budget Rep Forum – <i>discuss Sakhisizwe LM priorities</i>	21-Nov-18	IPED
Annual Report Roadshows	01-05 October 2018	MM



Technical Strategic Planning Session	18-20 December 2018	IPED/MM
Council Meeting	13 December 2018	MM
Strategies Phase / Refined Objectives, Strategies, Programmes and Projects Phase		
Performance Audit (Draft Annual Report)	12 January 2019	MM
Internal Audit /Risk Committee Meeting	24 January 2019	BTO
Budget Steering Chaired by Port Cllr to consider Adjustment Budget	17 January 2019	MM
Mid- Year Performance Report to Mayor	19 January 2019	MM
IDP/Budget Steering Committee to approve draft budget allocations (IDP/ Budget link)	17-Jan-19	IPED/BTO
Audit & MPAC Committee Meeting	23 January 2019	MM
Mid- Year Performance Assessments of HOD's	14-15 January 2019	MM
Council Meeting (Final 2016/17 Annual Report & Mid -Year Report)	22 January 2019	MM
IDP/Budget/PMS Steering committee	17 January 2019	IPED
Budget Steering Committee Adjustment Budget	05-Feb-19	BTO
CHDM Technical IGR	06 February 2019	MM
CHDM DIMAFO	12 February 2019	MM
Technical IGR	27 February 2019	MM
Institutional Strategic planning session	30 Jan -01 Feb 2019	IPED/MM
Council Meeting Adopting Adjusted Budget	26 February 2019	CFO
Budget Steering Committee	13 March 2019	MM
Councillor Workshop - Draft ID/ Budget and Sector Plans	05-07 March 2019	IPED
IDP Steering Committee - Finalise Draft IDP and Budget/Projects and Draft Sector Plans	12 March 2019	IPED
IDP Rep Forum	20 March 2019	IPED
Council Meeting - Adopt Draft IDP/Budget and Sector Plans	26 March 2019	MM
Draft IDP and Draft Budget published.)	08 April 2019	IPED
Advertise for public comment (21days)	08 April 2019	IPED
IDP/Budget road shows - public hearings	08-12 April 2019	MM/IPED/BTO
Quarter 3 Performance reporting by HOD's (Jan - March))	17-18 April 2019	HOD's & MM



Risk Committee	25 April 2019	MM
Departmental SDBIP Engagements	24-26 April 2019	MM
Audit Committee	30 April 2019	MM
Reviewed IDP Document (Integration/Programme Implementation and Operational Plan)		
Incorporate relevant comments to the Draft final reviewed IDP	April - May 2019	IPED
IDP Steering Committee	07 May 2019	IPED
IDP/Budget Steering Committee meeting (implementation and operational plan)	08 May 2019	IPED
IDP/PMS Managers Session - CHDM	May-19	IPED
Technical IGR	09 May 2019	MM
IDP Rep Forum	16 May 2019	IPED
Municipal Wide SDBIP Engagement	May 2019	MM
Submit draft SDBIP within 14 days after approval of the budget	12 June 2019	MM
CHDM IGR	23 May 2019	MM
Approval Phase		
Sakhisizwe LM Council & Approval of Final 2017-2018 IDP & Budget	29 May 2019	MM
DIMAFO	28 May 2019	MM
Submission of SDBIP to the Mayor for Approval within 14 days	12 June 2019	MM
Council Meeting Approves SDBIP 2017/218 within 28 days after budget	27 June 2019	Mayor
Stakeholders Engagement on IDP & Budget	June 2019	MM
Signing of MM and Section 56 Managers Performance Agreements	14 June 2019	MM
SDBIP Approved and Performance Agreements signed	18 June 2019	MM
Quarter 4 Performance reporting (April - June))	11-12 July 2019	HOD's & MM



1.3 COMMUNITY PARTICIPATION STRATEGY

ISSUE	PARTICIPATION MECHANISM & PLANNING EVENTS
Planning participation	<ul style="list-style-type: none"> Use of workshops & Community Based Plans
Attendance at meetings, workshops etc	<ul style="list-style-type: none"> Interchanging of venue logistics between Khowa and Cala to ensure convenience Support with transportation where it is financially feasible Issuing of invitations via popular media and local institutions like ward committees, public announcements in community radio, newspapers and social events etc.
Effective communication	<ul style="list-style-type: none"> Meetings shall largely run in IsiXhosa and this is done to allow the majority of participants to inputs meaningfully without restrictions of language
Approval & Comments on the document	<ul style="list-style-type: none"> Use of ward level Mayoral Imbizos/ War Rooms and Road shows further explaining the budget and IDP Review to the communities

1.4 MECHANISMS AND PROCEDURES FOR ALIGNMENT

The IDP Manager is responsible for ensuring smooth coordination of the municipal IDP development and its alignment with the district IDP review through the use of workshops and bilateral discussions with affected sector departments. Inter-departmental Forum will be utilized as a mechanism for alignment of programmes and projects. Below are the mechanisms that the municipality uses to ensure alignment and integration with others spheres and sectors of government.

PHASE	ALIGNMENT ON CROSS CUTTING ISSUES	WITH WHOM
1 and 2. Process Plan + Situation Analysis	<ul style="list-style-type: none"> IDP & Budget process activity plans Sector Department planning & Municipal IDP inputs 	<ul style="list-style-type: none"> <input type="checkbox"/> BTO & IPED <input type="checkbox"/> District Municipality <input type="checkbox"/> Gov Departments
2. Strategies	<ul style="list-style-type: none"> Technical input on objectives and goals of programmes Local and wide strategic debates 	<ul style="list-style-type: none"> <input type="checkbox"/> Internal Departments; <input type="checkbox"/> District Municipality; <input type="checkbox"/> Gov Departments
3. Projects	<ul style="list-style-type: none"> Technical input on projects Input on budgets Cross cutting projects e.g. HIV/Aids 	<ul style="list-style-type: none"> • Internal Departments; • District Municipality; • Gov Departments
4. Integration & Alignment	<ul style="list-style-type: none"> Technical input Sector alignment & integration 	<ul style="list-style-type: none"> • Internal Departments; • District Municipality; • Gov Departments
5. Approval	<ul style="list-style-type: none"> Submission; Comments on revised IDP's 	<ul style="list-style-type: none"> <input type="checkbox"/> Municipality



1.5 MAIN LEGISLATION AND POLICY FRAMEWORK

The Sakhisizwe Municipality's IDP formulation and implementation processes will be bound by the following, but not limited to, legislation and policy framework:

1.5.1 Legislation framework

- Constitution: 1996
- Development Facilitation Act 96 of 1995
- White paper on Local government of 1998
- Municipal Structures Act 117 of 1998
- Municipal Systems Act 32 of 2000 + its regulations of Aug 2001
- Municipal Finance Management Act: 2003
- Municipal Property Rates Act: 2004
- All other laws governing and regulating development in South Africa

1.5.2 Policy Framework

- LG White paper of 1997
- National Planning & Performance Management circulars by CoGTA, National Treasury etc
- National Development Plan 2030
- National LG Turn Around Strategy for LG - 2009
- Eastern Cape Provincial Growth & Development Plan (PGDP)
- Eastern Cape Spatial Development Plan
- Credible IDP guide by CoGTA
- District Municipal Strategic Plans (IDP, SDF, LED etc
- Municipal Strategic Planning 2018 Report
- Provincial Dev Plan
- National, Provincial and District SDF

1.6 THE KEY DEVELOPMENT CHALLENGES

Sakhisizwe Municipality is still struggling to emerge from the establishment phase of local government largely due to a huge apartheid legacy, past internal instability and poor administrative capacity. The resultant situation from such legacy manifests in the existence of high service backlogs, poorly structured and underperforming local economy.

Grand Apartheid segregated South Africa into three kinds of social, economic and politico administrative spaces: the major urban areas, which were a preserve of white people; fertile commercial farming regions and associated small rural towns, also a preserve of white South Africans; and, barren, economically unviable so-called homelands, reserved for South Africa's black majority population.

The result is enduring underdevelopment with its social, economic, and cultural manifestations: poverty, gross income inequality compared to urban areas, chronic unemployment, and cultural backwardness.

- ❑ Unequal distribution of assets, skewed distribution of income and employment opportunities amongst citizens, inequality in access to social services, high level of illiteracy and social backwardness.
- ❑ Segregated planning approaches and scattered residential and farming settlements without viable economic and social linkages to the more economically active areas of the country.



- ❑ Under-utilisation and/or unsustainable use of natural resources, Poor or lack of access to socio-economic infrastructure and services, public amenities and government services (e.g. industrial parks lying idle especially in the former homeland areas).
- ❑ Poor access to water and/or water sources for both household and agricultural development
- ❑ Low literacy, skills levels and migratory labour practices.

However, considerable gains have been achieved in certain areas of Municipality's interventions, more needs to be done in especially the areas of obtaining a clean audit, expanding basic services, fighting the scourge of poverty, inequality and HIV/Aids among our people, and those will be elaborated further below in the plan.

The promise to a better future remains an elusive goal for many households and peoples who are trapped into a vicious cycle of poverty and unemployment. It remains a commitment of this council to lay a solid foundation for better life for all and to direct our development trajectory toward improved economic development, better service delivery and marked reduction in poverty and unemployment.

1.6.1 Basic Infrastructure & Service Delivery

The municipality continues to lag behind with provision of basic services. This poses a strategic risk for the municipality of not meeting strategic goals. Chris Hani District's commitment to fast track the community's access to water & sanitation acceptable progress is made in this area. Our own competency on the functions run directly by us is severely affected by staff shortages, especially at senior levels. This is due to, among others, brain drain and better socio-economic profiles offered by our competitor employers.

Our backlogs are roads and bridges, water, sanitation, electricity, housing and refuse. There are also other challenges such as poor accessibility of facilities and quality outputs affecting Education, Health, Public Transport, Social Development and Safety & Security. These challenges militate against the strength to better the lives of our people.

1.6.2 Economic Development and Environment

Sakhisizwe has an underperforming local economy unable to deal with strategic challenges such as poverty, unemployment and low revenue base. The LED strategy was developed in 2011 to institutionalise responses of the municipality to LED. That strategy is outdated and due to capacity and financial resources the municipality could not perform reviews. There is a need for the development of a new LED strategy. Sakhisizwe's competitive advantage is on tourism and agriculture, these sectors contribute in the LED strategy and economic growth of the area. The infrastructure development also plays a critical role in the ability for the municipality to attract business.

Key sectors with potential but currently under performing and needing focused interventions include Agriculture, forestry and Tourism and explore manufacturing. While Sakhisizwe is a small economy it is appreciated that it currently shows a better trend index of diversification at 79, 7 compared to that of the region at 65, 5. The municipalities' comparative advantage is in agriculture, forestry and tourism, though the major economic contributors include community services and trade sectors.



1.6.3 Municipal Institutional Development & Transformation

The municipality is still unable to perform all are expected mandate in terms of assigned powers and functions due to administrative and other capacity constraints and the ability to retain and employ staff. These are manifested by low revenue base and the low salary packages that are not attractable to the market. The council is an executive system and administration is managed through six key administrative departments including that of the office of the municipal manager. In terms of transformation, the administrative arm is largely male dominated, in management there are four men and one women with one vacancy.

This is partly due to our poor scarce skills staff retention which leaves us with few options on who we employ and retain. Furthermore the municipality is faced with challenge of high staff turnover. This can also be attributed to the ability for the municipality to attract and budget for vacant and critical positions. This has a huge impact on service delivery and implementation of Council policies.

1.6.4 Good Governance

Sakhisizwe Local Municipality is politically and administratively fairly stable. Though the past year has been challenging politically and financially, this had an impact on the operations of the municipality. The Municipality has experienced instability in the political governance of the municipality. This is attributed to a number of issues, such as the pace of service delivery and resulted protests. This affected the Council role of performing its oversight role, such that some of the legislated requirements were not met during the last financial year.

The findings of the Auditor General do not necessary indicate poor governance and administration, but point to poor audit education and inadequate systems. This is usually a secondary consequence resulting from in capacity. IGR is existent with sector departments taking place. However, this needs to be strengthened. This is a co-operation environment that requires other sectors to take IGR seriously.

1.6.5 Financial Viability

The municipality has, as defined by national treasury a weak low capacity organization. Our current systems of financial control as found by auditor general reports of the last 2 years are evidently showing signs of improvement. We however remain weak in our main operation areas namely:

- (a) Revenue Enhancement
- (b) Debt Collection
- (c) Supply chain management
- (d) Expenditure management

We have resolved to pay specific attention to the following critical areas of our turnaround strategy:

- AG queries
- Debt collection
- Audit education
- Systems development and financial controls
- Revenue enhancement

1.7 DEVELOPMENT PRIORITIES FOR 2017/2022

The following are key priorities and strategic development goals of SLM in 2017/2022 **1)**

Service Delivery

- **Strategic Goal:** Eradicate backlogs in order to improve access to basic infrastructure and services and ensure proper operations and maintenance by 2022



- **Intended outcome:** Sustainable delivery of improved services to all households (in line with the term of council, 2017 – 2022) **2) Local Economic Development**
- **Strategic Goal:** Create an enabling environment that promotes the development of the local economy and facilitate job creation
- **Intended outcome:** Improved municipal economic viability (in line with term of council, 2017 – 2022).

3) Financial Viability ▪

Strategic Goal:

To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems

- **Intended outcome:** Improved financial management and accountability (in line with terms of council, 2017 – 2022)

4) Good Governance & Public Participation

- **Strategic Goal:** Promote a culture of public participation and good governance.
- **Intended outcome:** Entrenched culture of accountability and clean governance (in line with term of council, 2017 - 2022)

5) Municipal Institutional Development & Transformation

- **Strategic Goal:** Improve organizational cohesion and effectiveness.
- **Intended Outcome:** Improved organizational stability and sustainability (in line with the term of council, 2017 – 2022)
- Ensure a fully functional, responsible, accountable and responsive administration by 2022.

6) Spatial Planning and Land Use management

- **Strategic Goal:** Improve overall use and management of land and environment
- **Intended Outcome:** Sustainable planning and use of Land resource and care for the environment



CHAPTER 2 – SITUATIONAL ANALYSIS

2.1 LOCALITY

The Sakhisizwe Local Municipality is a Category B municipality (Area: 2 355km²) situated within the Chris Hani District in the Eastern Cape Province. It is bordered by the Joe Gqabi District to the north, Intsika Yethu to the south, Engcobo to the east, and Emalahleni to the west. The municipality is the smallest of six in the district, making up 6% of its geographical area. Sakhisizwe is an isiXhosa name meaning 'we are building the nation'.

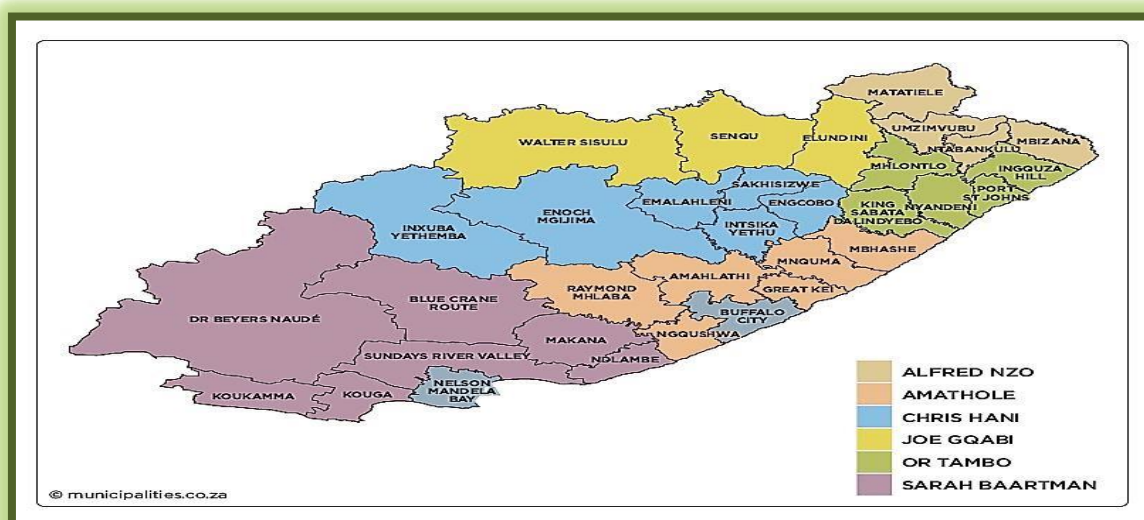
Sakhisizwe is a category B4 type with largely rural (61%) and low revenue base) situated within the Chris Hani District of the Eastern Cape Province (see maps below). It is made up of the main town of Cala and Khowa as well as the surrounding rural villages and farms.

2.1.1 National Locality: South Africa



Map 2.1.1: Showing National Locality

2.1.2 Provincial Locality: Eastern Cape



Map 2.1.2: Showing Provincial Locality



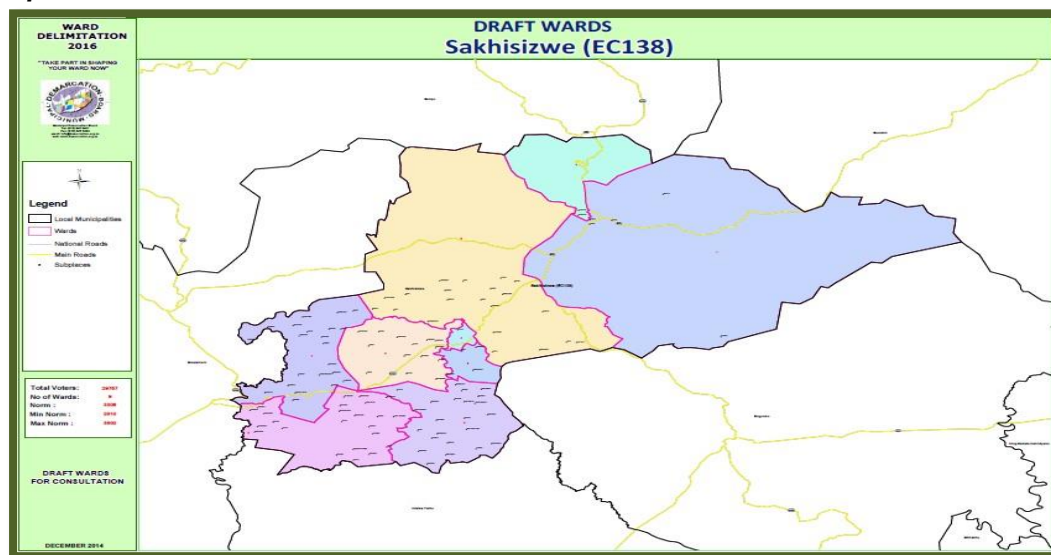
Map2.1.3: Showing District Locality



2.1.1 Municipal Locality: Sakhisizwe Local Municipality

The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the map below. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there.

Map 1: Wards



2.2 DEMOGRAPHIC PROFILE

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the Sakhisizwe Local Municipality and all its neighbouring regions, Chris Hani District Municipality, Eastern Cape Province and South Africa as a whole.

2.2.1 TOTAL POPULATION

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

The total population of (64 500) people, the Sakhisizwe Local Municipality makes up (0.1%) of South Africa's total population in 2016. Compared to Chris Hani's average annual growth rate (0.46%), the growth rate in Sakhisizwe's population at -0.24% was significant lower than that of the district municipality.

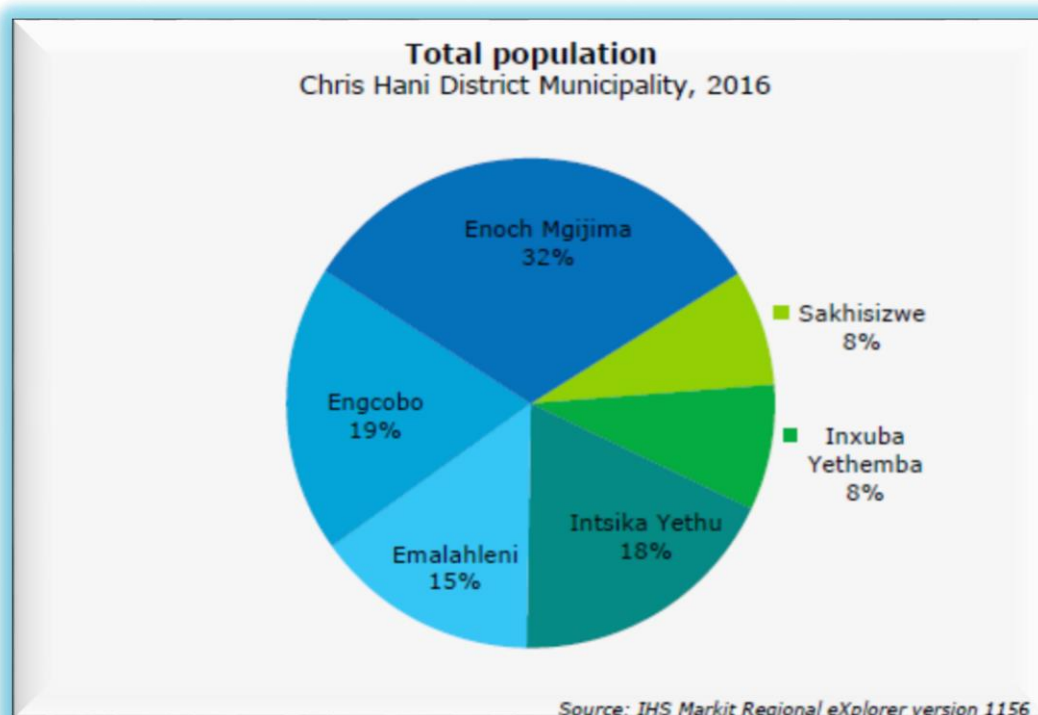
TABLE 2.2.1. TOTAL POPULATION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006/2016 [NUMBERS PERCENTAGE]

Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality		Sakhisizwe as % of province	Sakhisizwe as % of national
2006	66,100	804,000	6,450,000	47,800,000	8.2%	1.02%	0.14%
2007	65,300	802,000	6,470,000	48,400,000	8.1%	1.01%	0.13%



2008	64,500	803,000	6,500,000	49,100,000	8.0%	0.99%	0.13%
2009	63,900	806,000	6,540,000	49,800,000	7.9%	0.98%	0.13%
2010	63,500	810,000	6,600,000	50,700,000	7.8%	0.96%	0.13%
2011	63,500	813,000	6,650,000	51,500,000	7.8%	0.95%	0.12%
2012	63,400	816,000	6,710,000	52,400,000	7.8%	0.95%	0.12%
2013	63,600	821,000	6,780,000	53,200,000	7.7%	0.94%	0.12%
2014	63,800	827,000	6,850,000	54,100,000	7.7%	0.93%	0.12%
2015	64,100	834,000	6,930,000	54,900,000	7.7%	0.93%	0.12%
2016	64,500	841,000	7,010,000	55,700,000	7.7%	0.92%	0.12%
Average Annual growth							
2006-2016		-0.24%	0.46%	0.83%	1.54%		

CHART 2.2.1. TOTAL POPULATION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]



When compared to other regions, Sakhisizwe Local Municipality accounts for a total population of 64,500, or 7.7% of the total population in Chris Hani District Municipality ranking as the most populous local municipality in 2016. Sakhisizwe decreased in importance from ranking fifth in 2006 to sixth in 2016. In terms of its share Sakhisizwe Local Municipality was slightly smaller in 2016 (7.7%) compared to what it was in 2006 (8.2%). When looking at the average annual growth rate, it is noted that Sakhisizwe ranked lowest (relative to its peers in terms of growth) with an average annual growth rate of -0.2% between 2006 and 2016,



2.2.1.1 Population Projections

Research as per the Eastern Cape Socio Economic Consultative Council revealed that the present age-gender structure and the present fertility, mortality and migration rates, Sakhisizwe's population is projected to grow at an average annual rate of 0.7% from 64 500 in 2016 to 66 700 in 2021.

When looking at the population projection of Sakhisizwe Local Municipality shows an estimated average annual growth rate of 0.7% between 2016 and 2021. The average annual growth rate in the population over the projection period for Chris Hani District Municipality, Eastern Cape Province and South Africa is 0.9%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Sakhisizwe Local Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of Sakhisizwe's projected growth rate.

TABLE 2.2.1.1 POPULATION PROJECTIONS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]

Sakhisizwe	Chris Hani	Eastern Cape	National Total		Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2016	64,500	841,000	7,010,000	55,700,000	7.7%	0.92%	0.12%
2017	64,900	849,000	7,080,000	56,500,000	7.6%	0.92%	0.11%
2018	65,400	857,000	7,160,000	57,400,000	7.6%	0.91%	0.11%
2019	65,800	865,000	7,240,000	58,100,000	7.6%	0.91%	0.11%
2020	66,300	872,000	7,310,000	58,900,000	7.6%	0.91%	0.11%
2021	66,700	880,000	7,380,000	59,600,000	7.6%	0.90%	0.11%
Average Annual growth							
2016-2021	0.67%		0.90%		1.05%	1.37%	

Source: IHS Markit Regional eXplorer version 1156

2.2.1.2 Projected Population Structure

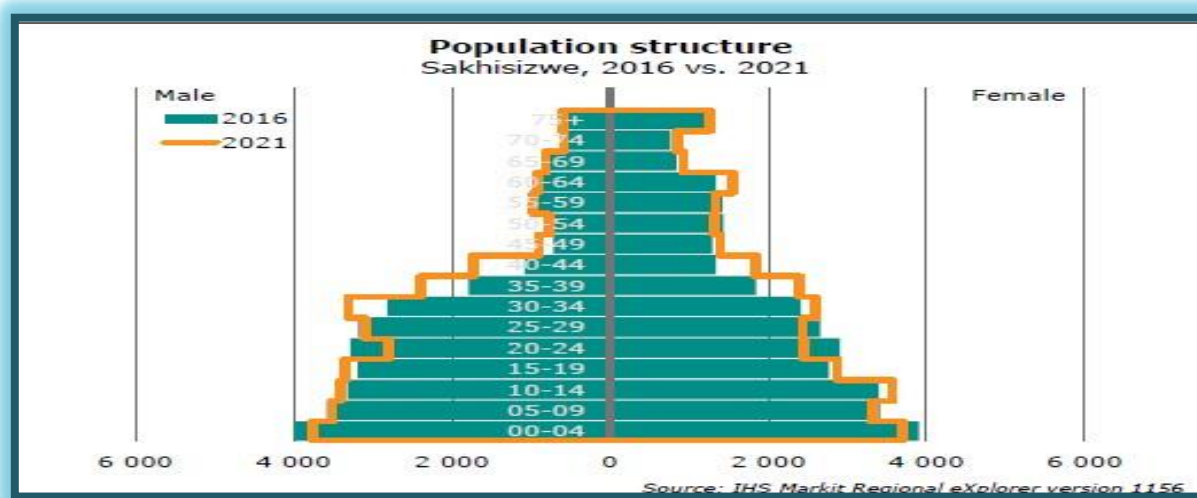
The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (26.7%), compared to what is estimated in 2021 (25.0%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (31.9%) in 2021 when compared to 2016 (33.5%).

In 2016, the female population for the 20 to 34 years age group amounts to 12.4% of the total female population while the male population group for the same age amounts to 14.4% of the total male population. In 2021, the male working age population at 13.8% still exceeds that of the female population working age population at 11.2%, although both are at a lower level compared to 2016.



CHART 2.2.1.2 POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY, 2016 VS. 2021 [PERCENTAGE]



2.2.2 POPULATION BY GROUP, GENDER, AND AGE

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

2.2.2.1 Population by Gender

Sakhisizwe Local Municipality's male/female split in population was 95.8 males per 100 females in 2016. The Sakhisizwe Local Municipality appears to be a fairly stable population with the share of female population (51.08%) being very similar to the national average of (51.07%). In total there were 33 000 (51.08%) females and 31 600 (48.92%) males. This is different from Chris Hani District Municipality as a whole where the female population counted 437 000 which constitutes 51.88% of the total population of 842 000.

TABLE 2.2.2.1 POPULATION BY GENDER - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 [NUMBER].

MUNICIPALITY	MALE	FEMALE	TOTAL
Sakhisizwe	31,600	33,000	64,500
Inxuba Yethemba	33,900	35,900	69,800
Intsika Yethu	74,200	79,000	153,000
Emalahleni	60,400	64,500	125,000
Engcobo	75,000	85,000	160,000
Enoch Mgijima	130,000	139,000	269,000
Chris Hani	405,000	437,000	841,000

Source: IHS Market Regional eXplorer version 1156

In 2016, the Sakhisizwe Local Municipality's population consisted of 97.98% African (63 200), 1.03% White (661), 0.77% Coloured (498) and 0.23% Asian (147) people.



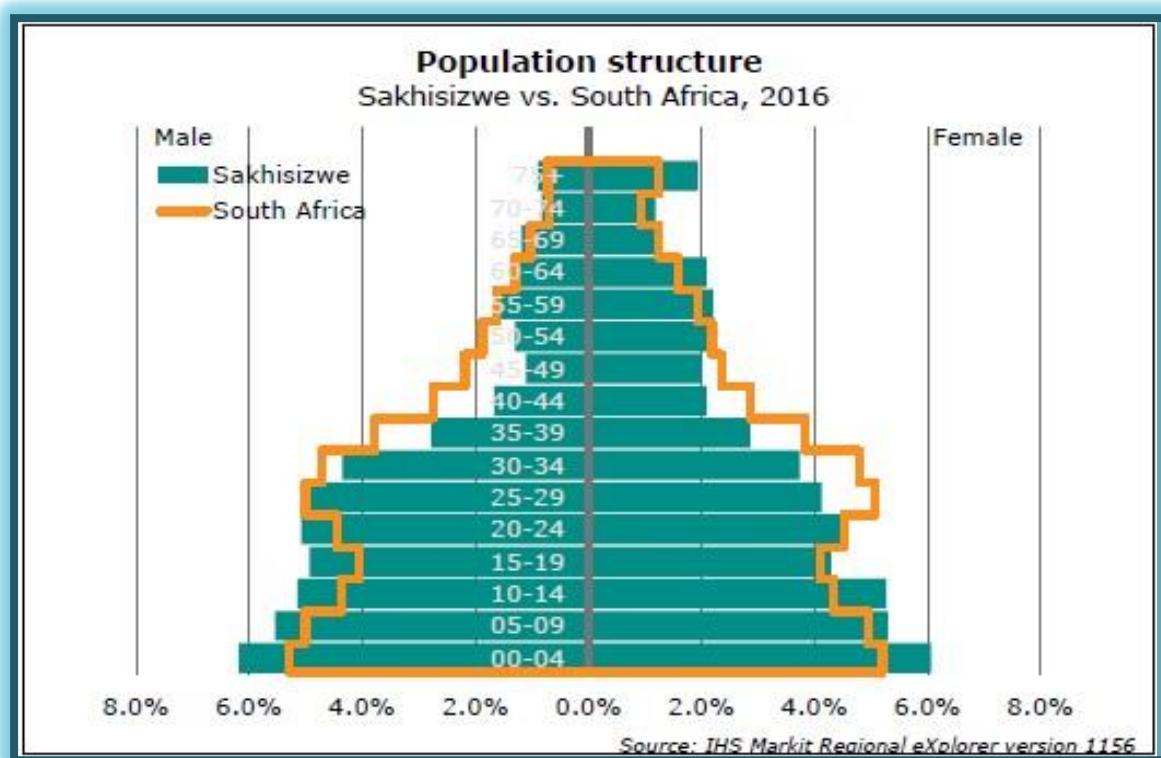
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 21 600 or 33.5% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 26.5%, followed by the teenagers and youth (15-24 years) age category with 12 100 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 4 720 people, as reflected in the population pyramids below.

TABLE 22.222 POPULATION BY POPULATION GROUP, GENDER AND AGE - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [NUMBER].

AGE	AFRICAN		WHITE	
	FEMALE	MALE	FEMALE	MALE
00-04	3,830	3,940	32	11
05-09	3,360	3,500	25	40
10-14	3,350	3,300	26	13
15-19	2,730	3,160	13	15
20-24	2,860	3,240	14	6
25-29	2,610	3,100	19	34
30-34	2,360	2,770	28	17
35-39	1,800	1,740	26	35
40-44	1,300	1,040	25	30
45-49	1,260	678	18	7
50-54	1,380	803	32	24
55-59	1,370	995	28	31
60-64	1,310	812	15	24
65-69	815	748	15	18
70-74	751	520	12	12
75+	1,220	565	9	9
Total	32,300	30,900	337	324

Source: IHS Markit Regional eXplorer version 1156

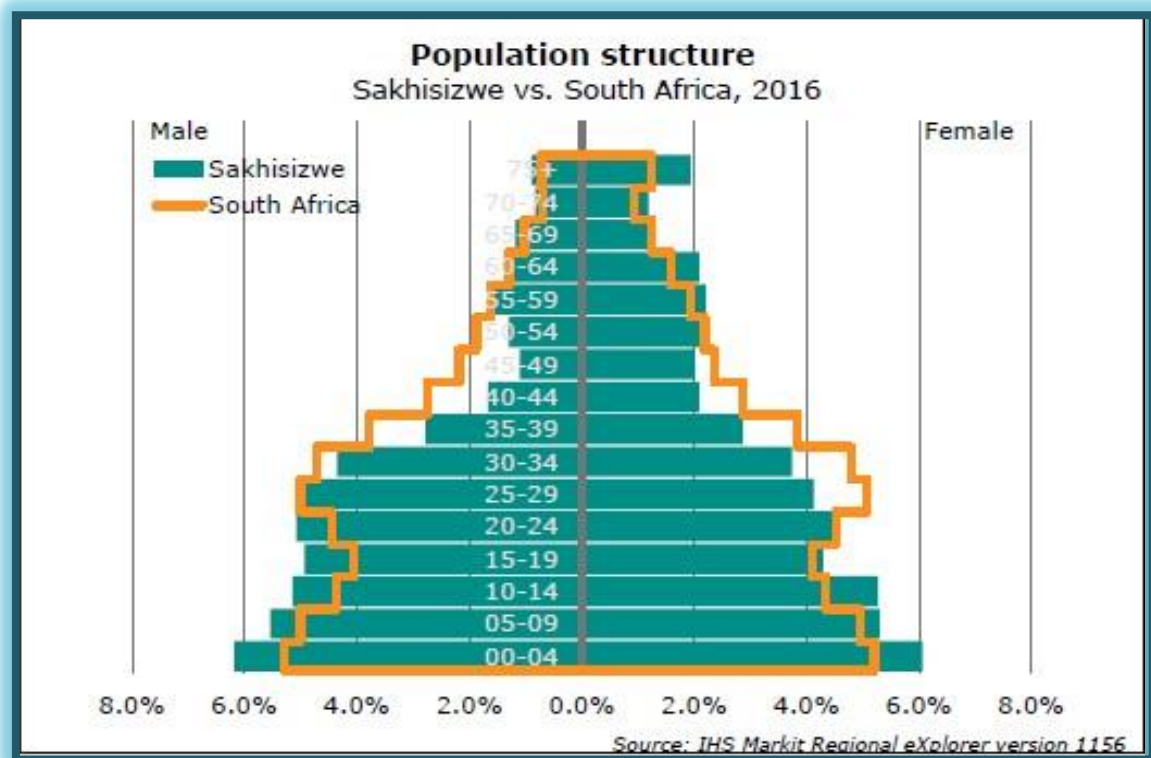
CHART 2222-2. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016 [PERCENTAGE]



By comparing the population pyramid of the Sakhisizwe Local Municipality with the national age structure, the most significant differences are:

- ☐ There is a significant smaller share of young working age people - aged 20 to 34 (26.7%) - in Sakhisizwe, compared to the national picture (28.6%).
- ☐ Fertility in Sakhisizwe is significantly higher compared to South Africa as a whole.
- ☐ Spatial policies changed since 1994.
- ☐ The share of children between the ages of 0 to 14 years is significantly larger (33.5%) in Sakhisizwe compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within Sakhisizwe Local Municipality will therefore be higher than that of South Africa.

CHART 2222-3. POPULATION PYRAMID - SAKHISIZWE LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016
[PERCENTAGE]



Comparing the 2006 with the 2016 population pyramid for Sakhisizwe Local Municipality, interesting differences are visible:

- In 2006, there were a significant smaller share of young working age people - aged 20 to 34 (22.0%) - compared to 2016 (26.7%).
- Fertility in 2006 was slightly lower compared to that of 2016.
- The share of children between the ages of 0 to 14 years is significantly larger in 2006 (36.4%) compared to 2016 (33.5%).
- Life expectancy is increasing.

In 2016, the female population for the 20 to 34 years age group amounted to 10.7% of the total female population while the male population group for the same age amounted to 11.2% of the total male population. In 2006 the male working age population at 14.4% still exceeds that of the female population working age population at 12.4%.

2.2.3 Households By Population Groups

A household is categorised according to population group, the population group to which the head of the household belongs, is used. If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

In 2016, the Sakhisizwe Local Municipality comprised of 16 800 households. This equates to an average annual growth rate of 0.68% in the number of households from 2006 to 2016. With an average annual growth rate of -0.24% in the total population, the average household size in the Sakhisizwe Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4.2 individuals per household to 3.8 persons per household in 2016.



TABLE 223.1. NUMBER OF HOUSEHOLDS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	15,700	195,000	1,570,000	13,000,000	8.0%	1.00%	0.12%
2007	15,700	198,000	1,590,000	13,100,000	8.0%	0.99%	0.12%
2008	15,900	203,000	1,620,000	13,400,000	7.8%	0.98%	0.12%
2009	16,200	209,000	1,670,000	13,700,000	7.7%	0.97%	0.12%
2010	16,200	211,000	1,680,000	13,900,000	7.7%	0.96%	0.12%
2011	16,200	213,000	1,700,000	14,200,000	7.6%	0.96%	0.11%
2012	16,300	215,000	1,720,000	14,500,000	7.6%	0.95%	0.11%
2013	16,400	216,000	1,730,000	14,700,000	7.6%	0.95%	0.11%
2014	16,400	216,000	1,740,000	15,000,000	7.6%	0.94%	0.11%
2015	16,600	219,000	1,770,000	15,400,000	7.6%	0.94%	0.11%
2016	16,800	222,000	1,790,000	15,800,000	7.6%	0.94%	0.11%
Average Annual growth							
2006-2016	0.68%		1.28%		1.32%		1.97%

Source: IHS Markit Regional eXplorer version 1156

Relative to the district municipality, the Sakhisizwe Local Municipality had a lower average annual growth rate of 0.68% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a higher rate than the Sakhisizwe.

The composition of the households by population group consists of 97.6% which is ascribed to the African population group with the largest amount of households by population group. The White population group had a total composition of 1.3% (ranking second). The Coloured population group had a total composition of 0.7% of the total households. The smallest population group by households is the Asian population group with only 0.4% in 2016.

The growth in the number of African headed households was on average 0.70% per annum between 2006 and 2016, which translates in the number of households increasing by 1 100 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 13.26%. The average annual growth rate in the number of households for all the other population groups has increased with 0.65%, as reflected in a Pie and Bar Chart below.



CHART 223.1. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

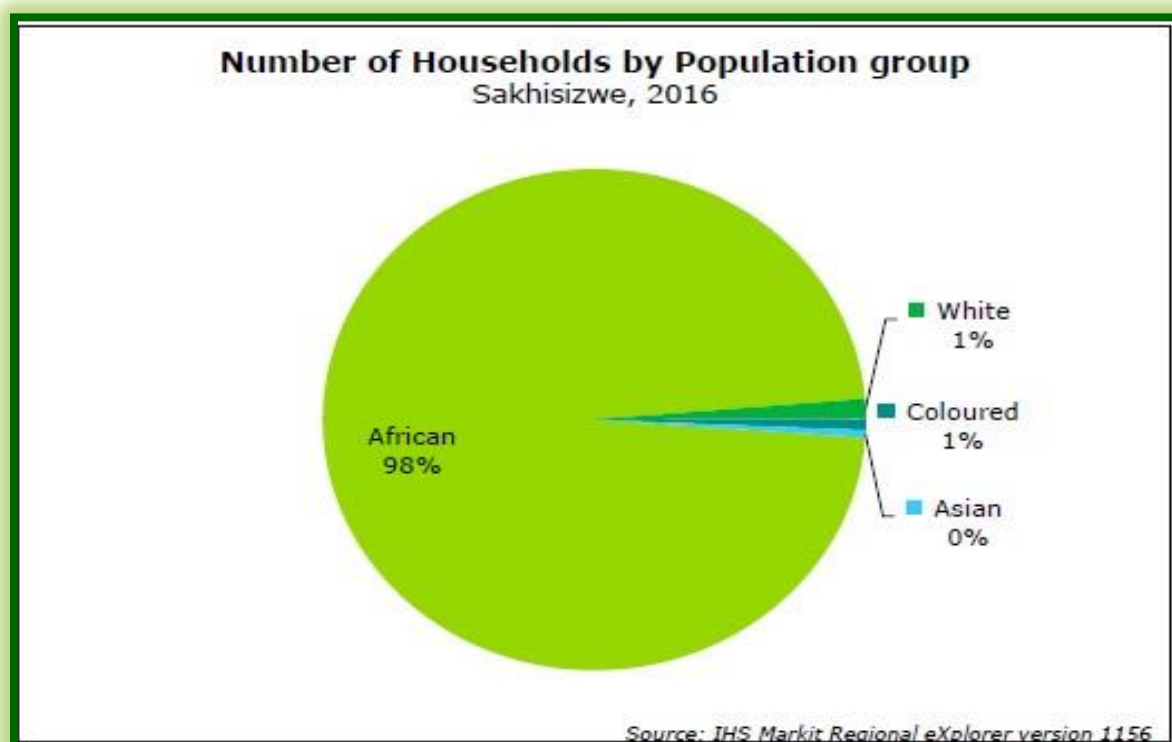
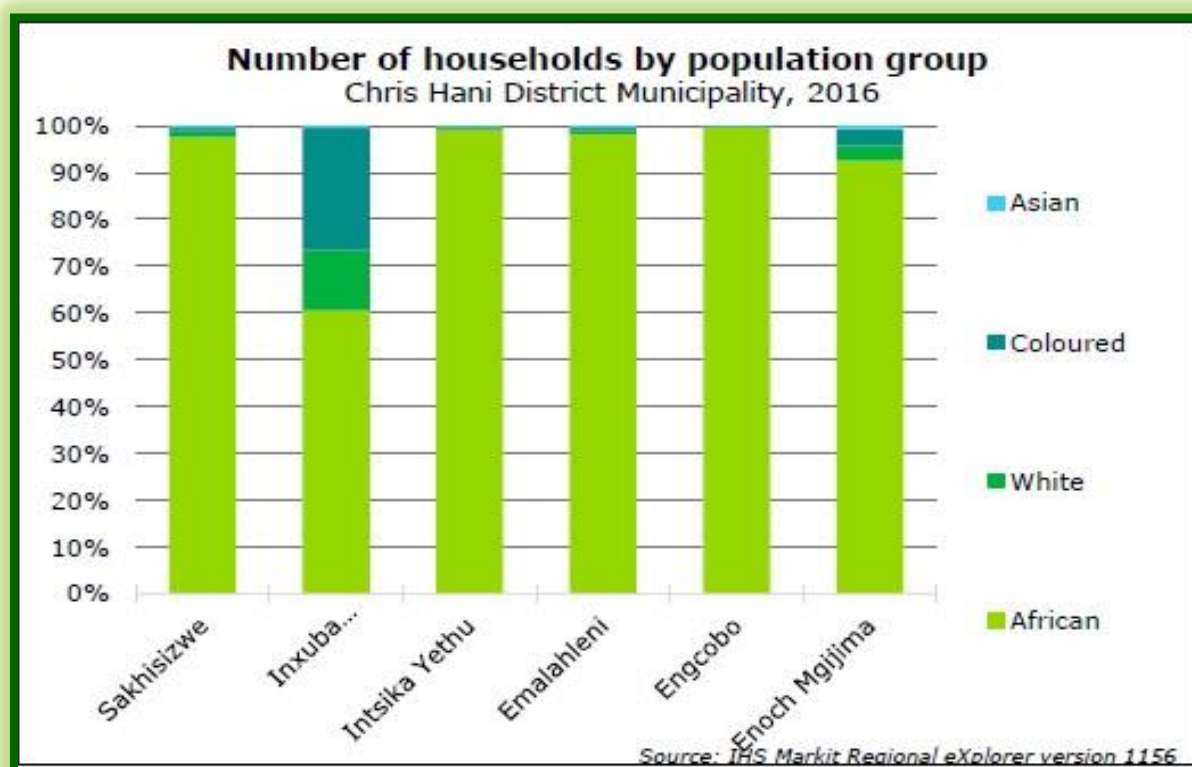


CHART 223-2 NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE] 2.2.4 HIV+ AND AIDS ESTIMATES





HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

TABLE 224.1 NUMBER OF HIV+ PEOPLE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]

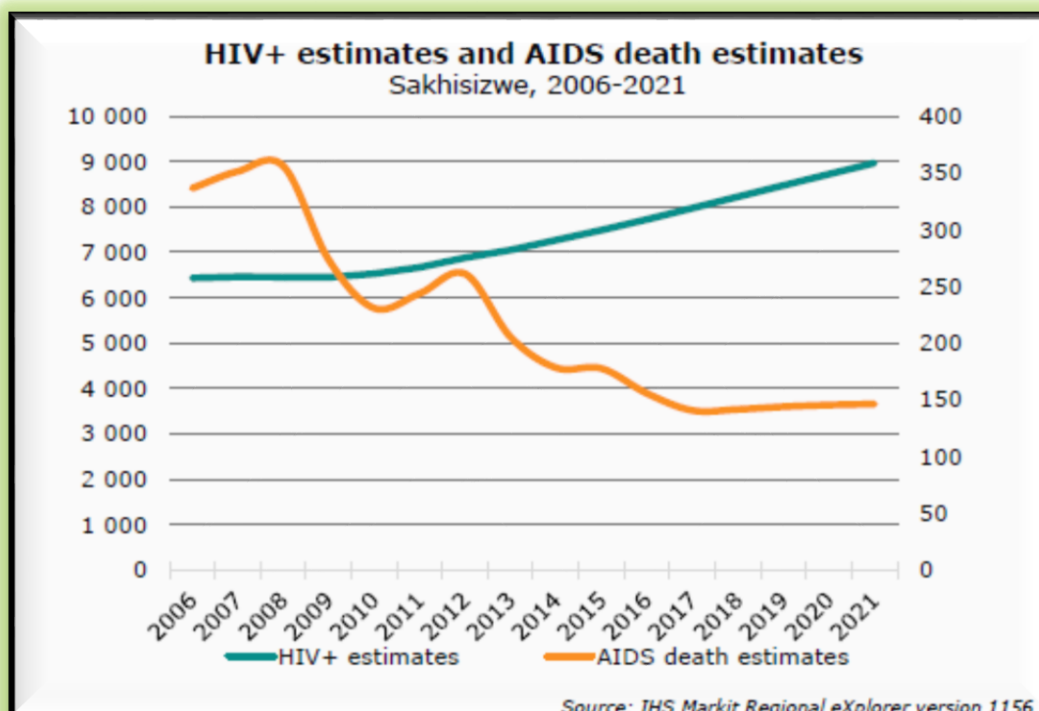
	SAKHISIZWE	CHRIS HANI	EASTERN CAPE	NATIONAL	SLM % OF DISTRICT	SLM % PROVINCE	SLM % NATIONAL
2006	6,430	76,500	622,000	5,320,000	8.4%	1.03%	0.12%
2007	6,460	77,600	626,000	5,370,000	8.3%	1.03%	0.12%
2008	6,460	78,600	631,000	5,400,000	8.2%	1.02%	0.12%
2009	6,450	79,600	643,000	5,480,000	8.1%	1.00%	0.12%
2010	6,530	81,300	660,000	5,590,000	8.0%	0.99%	0.12%
2011	6,670	83,400	676,000	5,680,000	8.0%	0.99%	0.12%
2012	6,880	86,400	691,000	5,760,000	8.0%	1.00%	0.12%
2013	7,050	88,800	712,000	5,880,000	7.9%	0.99%	0.12%
2014	7,270	91,800	736,000	6,010,000	7.9%	0.99%	0.12%
2015	7,490	94,900	760,000	6,130,000	7.9%	0.98%	0.12%
2016	7,720	98,100	786,000	6,280,000	7.9%	0.98%	0.12%
Average Annual growth							
2006-2016	1.85%	2.51%	2.37%	1.67%			

Source: IHS Markit Regional eXplorer version 1156

In 2016, 7 720 people in the Sakhisizwe Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.85% since 2006, and in 2016 represented 11.97% of the local municipality's total population. Chris Hani District Municipality had an average annual growth rate of 2.51% from 2006 to 2016 in the number of people infected with HIV, which is higher than that of the Sakhisizwe Local Municipality. The number of infections in Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.



CHART 224-1. AIDS PROFILE AND FORECAST - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2021 [NUMBERS]



Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 336 in 2006 and 156 for 2016. This number denotes a decrease from 2006 to 2016 with a high average annual rate of -7.42% (or -181 people). For the year 2016, they represented 0.24% of the total population of the entire local municipality.



2.3 ECONOMIC PROFILE

The Sakhisizwe Local Municipality does not function in isolation from Chris Hani, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

2.3.1 Gross Domestic Product by Region (GDP-R)

The GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 2.3.1-1 GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national	
2006	0.7	10.8	142.2	1,839.4	6.6%	0.50%	0.04%
2007	0.9	12.9	168.2	2,109.5	6.7%	0.51%	0.04%
2008	0.9	13.5	174.1	2,369.1	6.7%	0.52%	0.04%
2009	1.0	15.1	191.2	2,507.7	6.7%	0.53%	0.04%
2010	1.1	16.8	211.6	2,748.0	6.7%	0.53%	0.04%
2011	1.2	18.1	226.1	3,023.7	6.7%	0.54%	0.04%
2012	1.3	20.2	252.2	3,253.9	6.6%	0.53%	0.04%
2013	1.4	21.7	273.2	3,539.8	6.6%	0.52%	0.04%
2014	1.5	23.3	293.9	3,807.7	6.5%	0.51%	0.04%
2015	1.6	25.0	315.6	4,049.8	6.5%	0.51%	0.04%
2016	1.7	26.7	337.8	4,338.9	6.4%	0.51%	0.04%

Source: IHS Markit Regional eXplorer version 1156

With a GDP of R 1.72 billion in 2016 (up from R 715 million in 2006), the Sakhisizwe Local Municipality contributed 6.44% to the Chris Hani District Municipality GDP of R 26.7 billion in 2016 increasing the share of the Chris Hani from 6.60% in 2006. The Sakhisizwe Local Municipality contributes 0.51% to the GDP of Eastern Cape Province and 0.04% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.04% to South Africa, but it is lower than the peak of 0.04% in 2012.



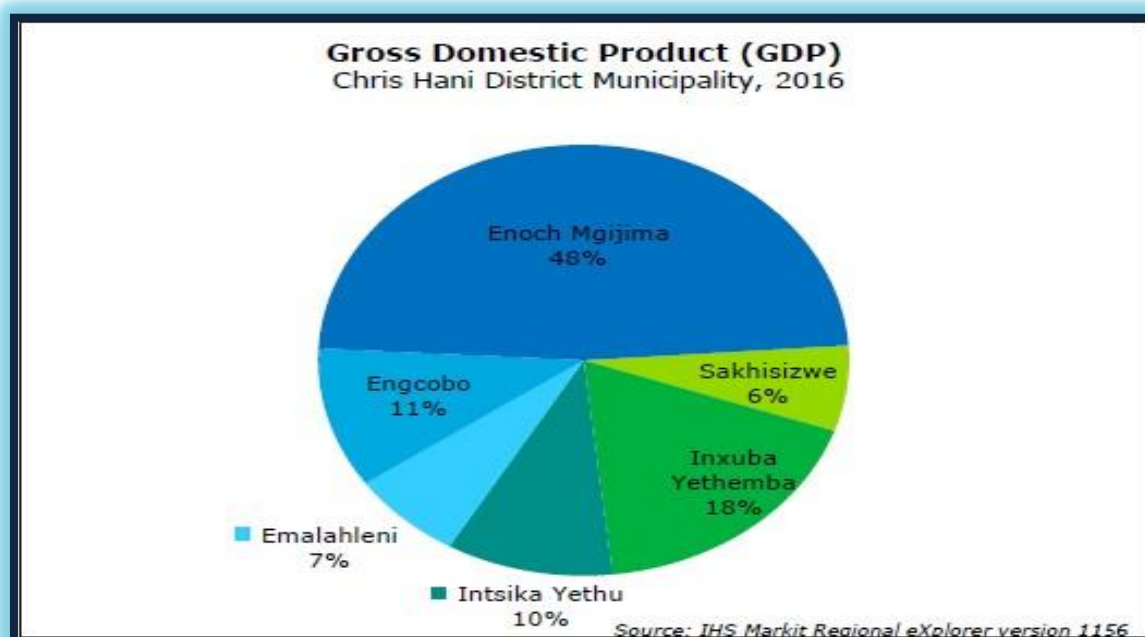
TABLE 231-2 GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	3.7%	3.5%	5.3%
2007	6.2%	5.2%	5.4%
2008	3.0%	4.2%	3.2%
2009	0.3%	0.7%	-1.5%
2010	1.1%	1.5%	3.0%
2011	3.7%	3.6%	3.3%
2012	0.1%	1.2%	2.2%
2013	-0.8%	0.6%	2.5%
2014	0.0%	0.9%	1.7%
2015	0.8%	1.0%	1.3%
2016	-0.3%	0.0%	0.3%
Average Annual growth 2006-2016+	1.41%	1.88%	2.12%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the Sakhisizwe Local Municipality achieved an annual growth rate of -0.26% which is a slightly lower GDP growth than the Eastern Cape Province's 0.25%, but is lower than that of South Africa, where the 2016 GDP growth rate was 0.28%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for Sakhisizwe (1.41%) is significant lower than that of South Africa (2.12%). The economic growth in Sakhisizwe peaked in 2007 at 6.20%.

CHART 231-1. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [PERCENTAGE]





The Sakhisizwe Local Municipality had a total GDP of R 1.72 billion and in terms of total contribution towards Chris Hani District Municipality the Sakhisizwe Local Municipality ranked lowest relative to all the regional economies to total Chris Hani District Municipality GDP. This ranking in terms of size compared to other regions of Sakhisizwe remained the same since 2006. In terms of its share, it was in 2016 (6.4%) slightly smaller compared to what it was in 2006 (6.6%). For the period 2006 to 2016, the average annual growth rate of 1.4% of Sakhisizwe was the third relative to its peers in terms of growth in constant 2010 prices.

TABLE 231-3. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2016, SHARE AND GROWTH

2006 TO 2016, SHARE AND GROWTH					
	2016 (Current Share of local municipality prices)	2006 (Constant prices)	2016 (Constant prices)		Average Annual growth
Sakhisizwe	1.72	6.44%	1.01	1.17	1.41%
Inxuba Yethemba	4.78	17.93%	2.03	3.26	4.88%
Intsika Yethu	2.72	10.19%	1.73	1.83	0.58%
Emalahleni	1.84	6.89%	1.11	1.24	1.10%
Engcobo	2.81	10.54%	1.75	1.92	0.93%
Enoch Mgijima	12.80	48.01%	7.38	8.66	1.61%

Source: IHS Markit Regional eXplorer version 1156

Sakhisizwe Municipality has the third highest average economic growth (AAG) 1.48% within the Chris Hani District Municipality as indicated in the table above.

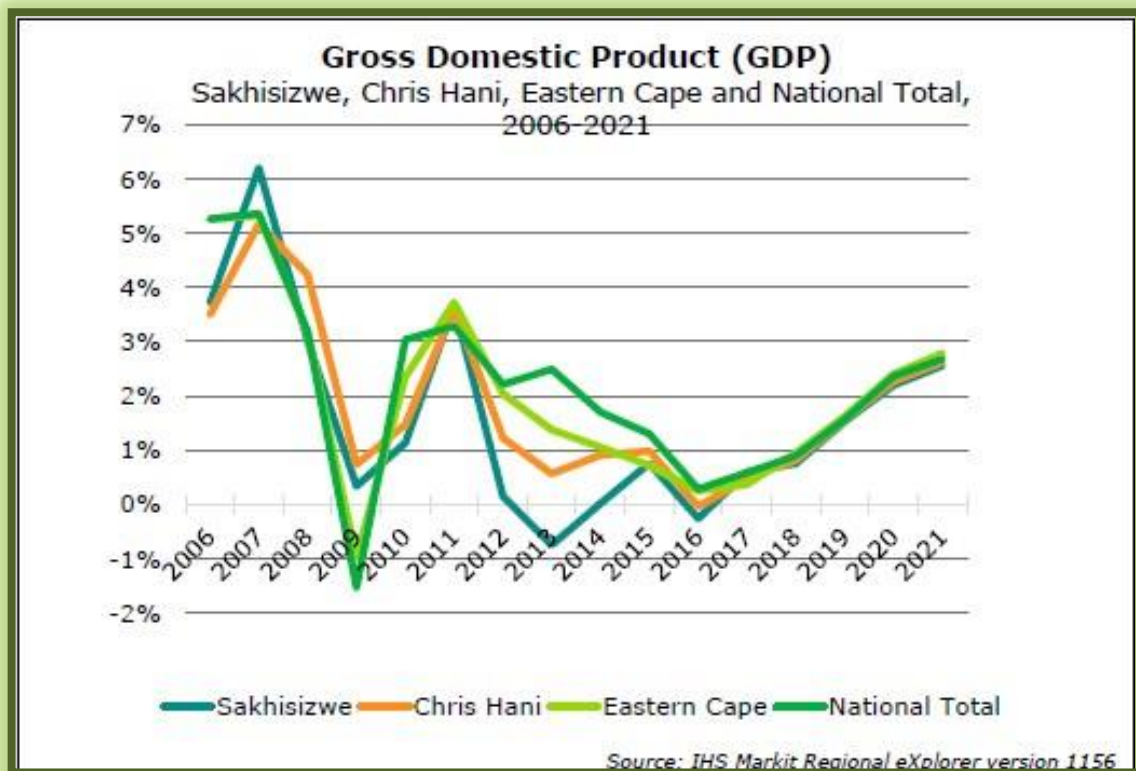
Inxuba Yethemba had the highest average annual economic growth, averaging 4.88% between 2006 and 2016, when compared to the rest of the regions within Chris Hani District Municipality. The Enoch Mgijima local municipality had the second highest average annual growth rate of 1.61%. Intsika Yethu local municipality had the lowest average annual growth rate of 0.58% between 2006 and 2016.



2.3.1.1 Economic Growth Forecast

It is expected that Sakhisizwe Local Municipality will grow at an average annual rate of 1.52% from 2016 to 2021. The average annual growth rate in the GDP of Chris Hani District Municipality and Eastern Cape Province is expected to be 1.55% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Sakhisizwe Local Municipality.

CHART 2311-1. GROSS DOMESTIC PRODUCT (GDP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2021 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



In 2021, Sakhisizwe's forecasted GDP will be an estimated R 1.26 billion (constant 2010 prices) or 6.4% of the total GDP of Chris Hani District Municipality. The ranking in terms of size of the Sakhisizwe Local Municipality will remain the same between 2016 and 2021, with a contribution to the Chris Hani District Municipality GDP of 6.4% in 2021 compared to the 6.4% in 2016. At a 1.52% average annual GDP growth rate between 2016 and 2021, Sakhisizwe ranked the third compared to the other regional economies.

TABLE 2.3.1.1 GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN CHRIS HANI DISTRICT MUNICIPALITY, 2006 TO 2021, SHARE AND GROWTH

	2021 (Current prices)	Share district municipality	of 2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
Sakhisizwe	2.40	12.30%	1.01	1.26	1.45%
Inxuba Yethemba	6.76	34.63%	2.03	3.57	3.86%
Intsika Yethu	3.83	19.60%	1.73	1.99	0.93%
Emalahleni	2.53	12.94%	1.11	1.31	1.13%
Engcobo	3.93	20.12%	1.75	2.07	1.13%
Enoch Mgijima	17.83	91.34%	7.38	9.32	1.56%

Source: IHS Markit Regional eXplorer version 1156



2.3.2 GROSS VALUE ADDED REGION (GVA-R)

The Sakhisizwe Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy. The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sakhisizwe Local Municipality.

TABLE 232-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [R BILLIONS, CURRENT PRICES]

	SLM	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	SLM as % of province	SLM as % of national
Agriculture	0.0	0.7	5.9	94.4	6.6%	0.83%	0.05%
Mining	0.0	0.0	0.5	306.2	24.8%	2.08%	0.00%
Manufacturing	0.0	1.2	36.3	517.4	3.8%	0.13%	0.01%
Electricity	0.0	0.4	6.2	144.1	5.9%	0.39%	0.02%
Construction	0.1	1.1	13.2	154.3	7.6%	0.65%	0.06%
Trade	0.3	5.5	61.5	589.7	6.3%	0.56%	0.06%
Transport	0.1	1.9	27.5	389.2	6.2%	0.44%	0.03%
Finance	0.2	3.9	60.5	781.7	5.0%	0.32%	0.02%
Community services	0.7	9.5	89.7	894.1	7.4%	0.78%	0.08%
Total Industries	1.6	24.3	301.2	3,871.2	6.5%	0.52%	0.04%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the community services sector is the largest within Sakhisizwe Local Municipality accounting for R 698 million or 44.4% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Sakhisizwe Local Municipality is the trade sector at 22.0%, followed by the finance sector with 12.3%. The sector that contributes the least to the economy of Sakhisizwe Local Municipality is the mining sector with a contribution of R 9.45 million or 0.60% of the total GVA.

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Chris Hani District Municipality, it is clear that the Enoch Mgijima contributes the most community services towards its own GVA, with 44.73%, relative to the other regions within Chris Hani District Municipality. The Enoch Mgijima contributed R 11.7 billion or 48.25% to the GVA of Chris Hani District Municipality. The region within Chris Hani District Municipality that contributes the most to the GVA of the Chris Hani District Municipality was the Sakhisizwe with a total of R 1.57 billion or 6.47%.



CHART 2321-1 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE COMPOSITION]

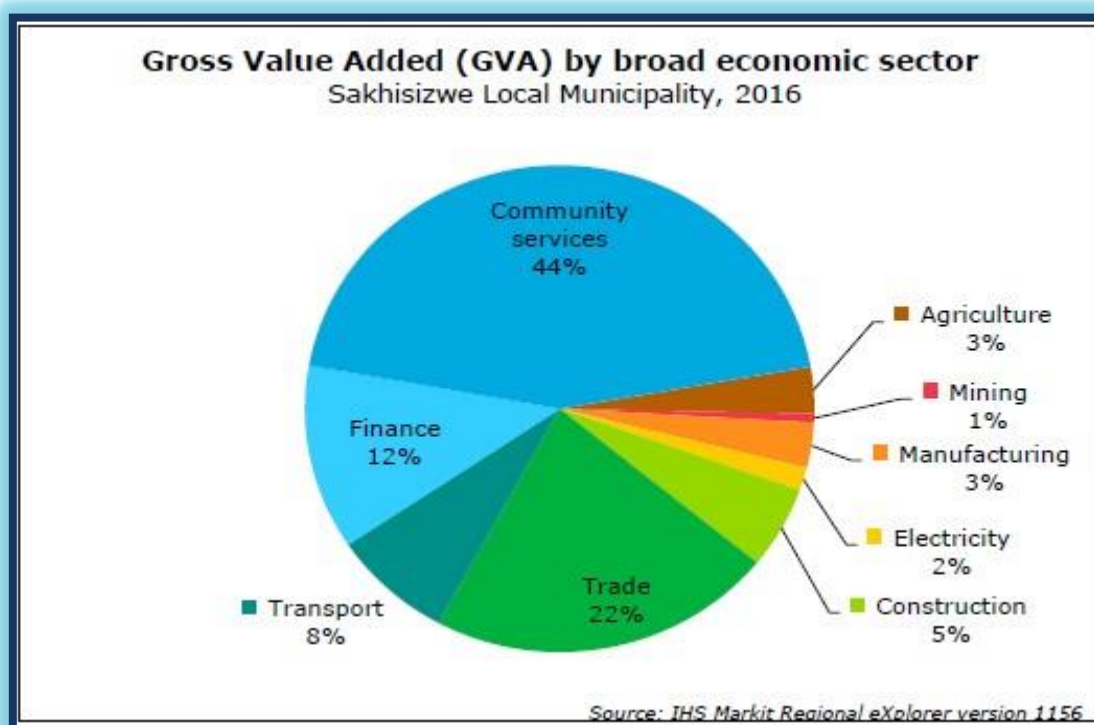
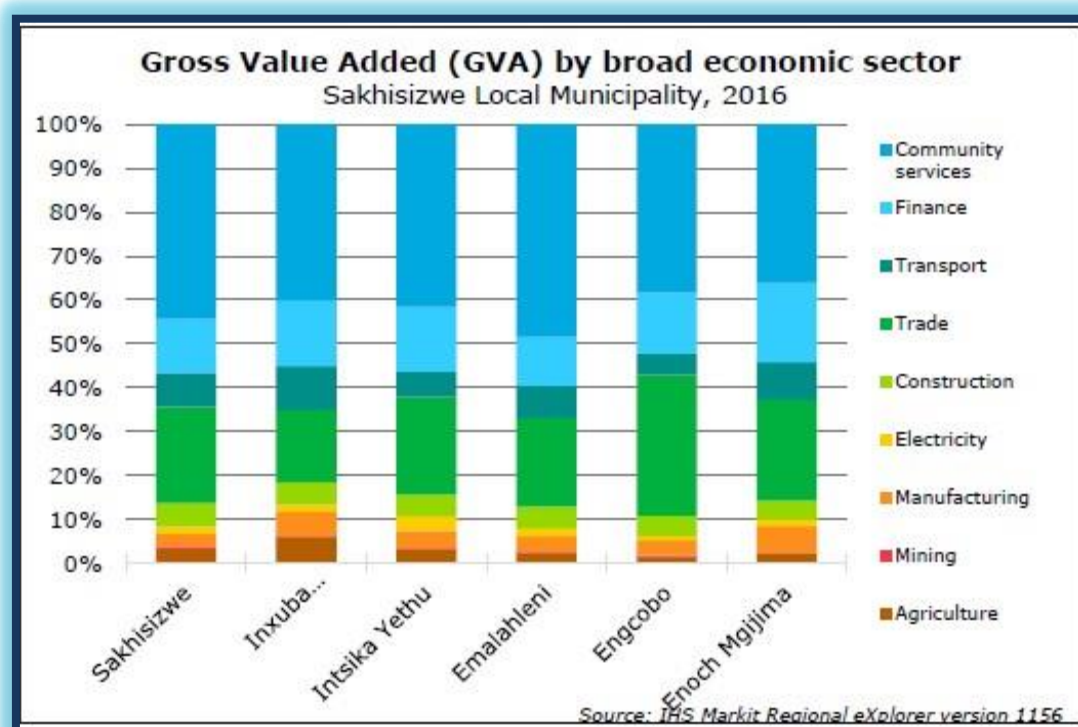


CHART 2321-2 GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGJIMA, 2016 [PERCENTAGE COMPOSITION]





2.3.2.1 Historical Economic Growth

The sector with the highest average annual growth (AAG) between 2006 and 2016 is the construction sector with Sakhisizwe Municipality recorded at 3.66%. The industry with the second highest average annual growth rate is the finance sector averaging at 2.81% per year. The electricity sector had an average annual growth rate of -3.79%, while the mining sector had the lowest average annual growth of -5.74%. Overall a negative growth existed for all the industries in 2016 with an annual growth rate of -0.23% since 2015.

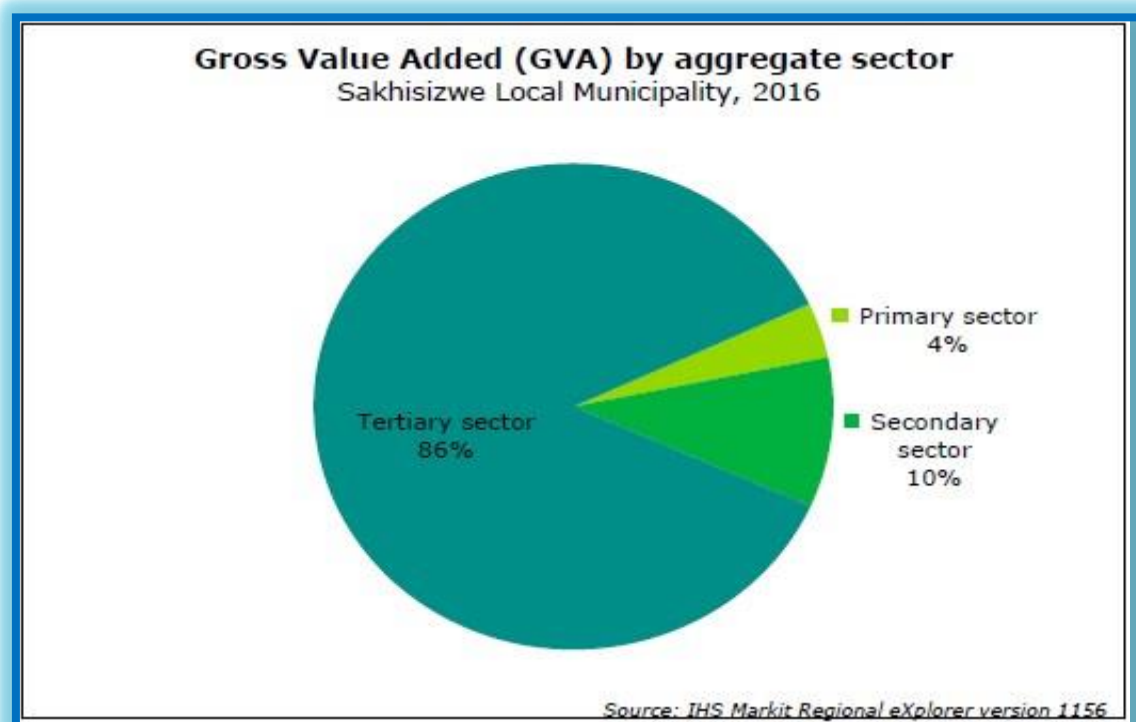
TABLE 2321-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2006, 2011 AND 2016 [R MILLIONS, 2010 CONSTANT PRICES]

	2006	2011	2016	Average Annual growth
Agriculture	25.4	32.7	29.6	1.54%
Mining	16.0	11.6	8.9	-5.74%
Manufacturing	32.4	33.2	32.6	0.06%
Electricity	13.4	13.8	9.1	-3.79%
Construction	37.8	49.8	54.1	3.66%
Trade	191.3	218.3	235.5	2.10%
Transport	68.0	74.5	78.6	1.46%
Finance	102.3	121.4	135.0	2.81%
Community services	453.0	526.3	495.8	0.91%
Total Industries	939.7	1,081.5	1,079.3	1.39%

Source: IHS Markit Regional eXplorer version 1156

The tertiary sector contributes the most to the Gross Value Added within the Sakhisizwe Local Municipality at 86.3%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 10.0% (ranking second), while the primary sector contributed the least at 3.7%.

CHART 2321-1. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]





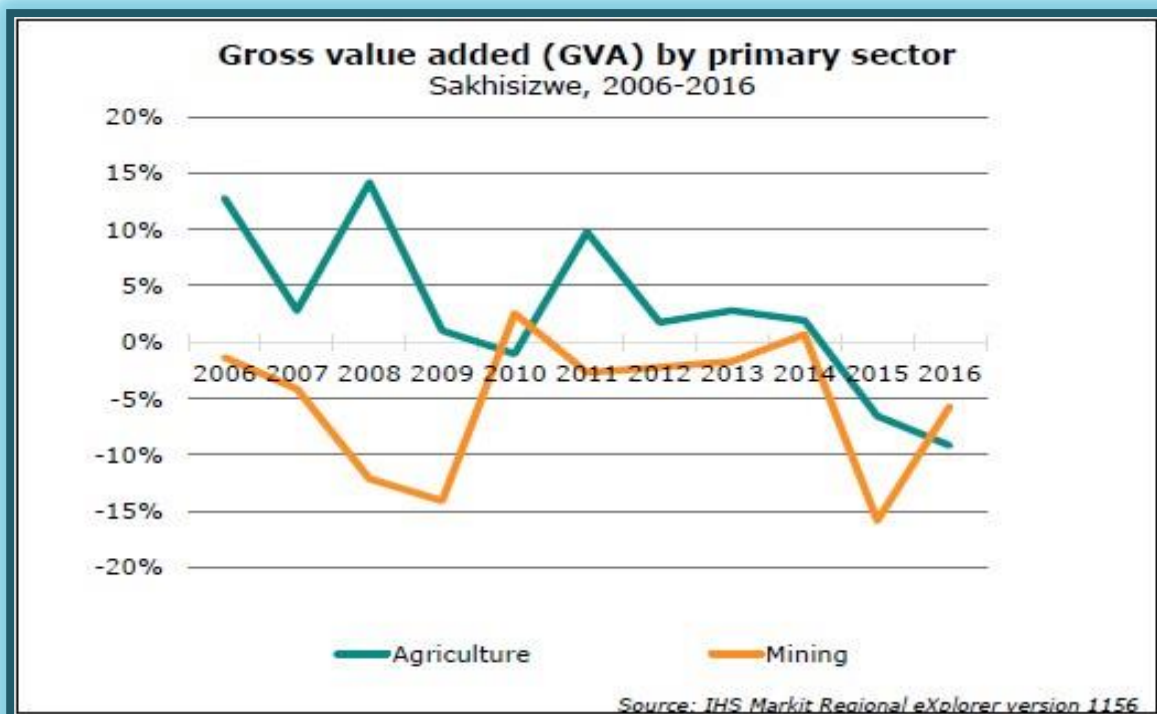
2.3.2.1. Gross Value Added By Sector

A. Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 14.2%. The mining sector reached its highest point of growth of 2.5% in 2010. The agricultural sector experienced the lowest growth for the period during 2016 at -9.2%, while the mining sector reaching its lowest point of growth in 2015 at -15.9%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

CHART 2321-2 GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



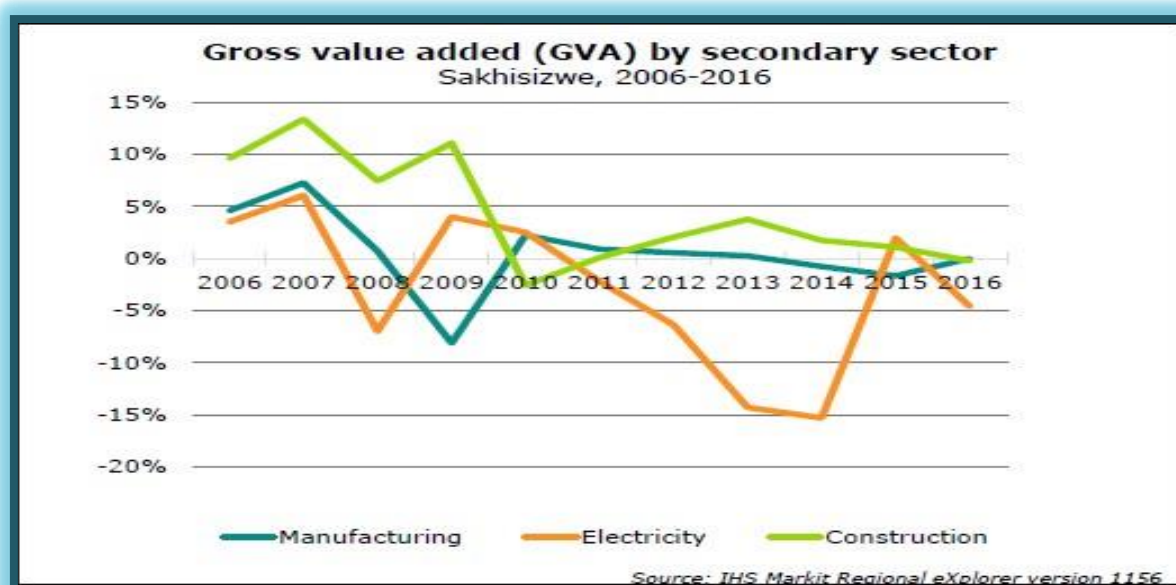
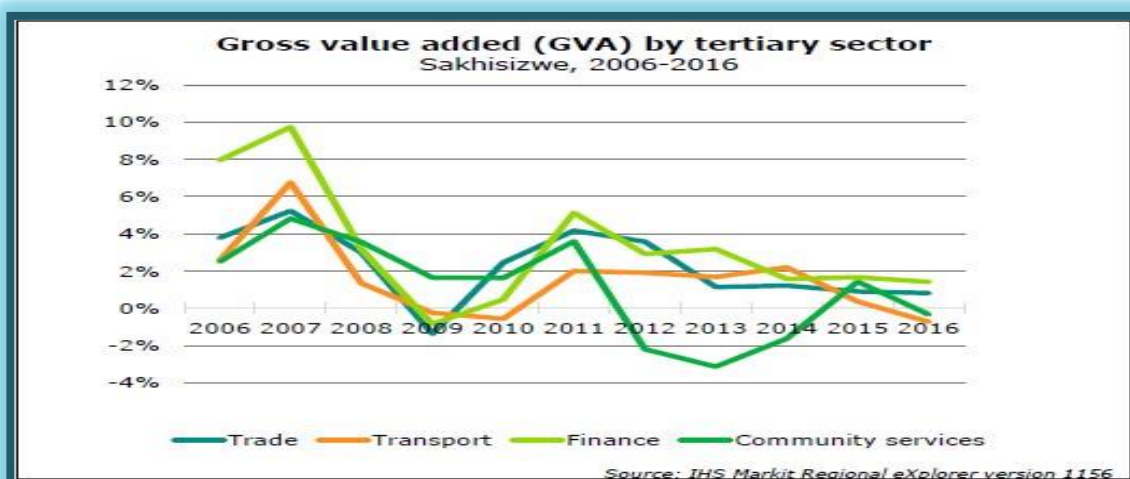
B. Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 7.2%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 13.4% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -8.1%, while construction sector reached its lowest point of growth in 2010 with -2.6% growth rate. The electricity sector experienced the highest growth in 2007 at 6.0%, while it recorded the lowest growth of -15.3% in 2014.



CHART 2321-3 GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



C. Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Sakhisizwe Local Municipality from 2006 to 2016.

The trade sector experienced the highest positive growth in 2007 with a growth rate of 5.2%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 6.8% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 9.7% and recorded the lowest growth rate in 2009 at -0.8%. The Trade sector also had the lowest growth rate in 2009 at -1.4%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 4.8% and the lowest growth rate in 2013 with -3.1%.

CHART 2321.4 GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - SAKHISIZWE, 2006-2016 [ANNUAL PERCENTAGE CHANGE]

2.3.2.2 SECTOR GROWTH FORECAST

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue



performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

TABLE 2.3.2.2-1. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016-2021 [R MILLIONS, CONSTANT 2010 PRICES]

	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	29.6	31.8	32.4	33.3	34.2	35.1	3.51%
Mining	8.9	9.2	9.3	9.5	9.6	9.7	1.77%
Manufacturing	32.6	32.5	32.9	33.4	34.2	35.1	1.46%
Electricity	9.1	9.0	8.9	9.1	9.3	9.6	0.99%
Construction	54.1	54.7	55.7	56.8	58.4	60.7	2.33%
Trade	235.5	236.5	240.0	245.1	252.6	261.1	2.08%
Transport	78.6	79.2	80.3	81.6	83.9	86.5	1.92%
Finance	135.0	135.0	137.0	139.9	143.6	147.8	1.82%
Community services	495.8	500.4	498.4	502.2	508.1	516.9	0.84%
Total Industries	1,079.3	1,088.3	1,095.1	1,110.7	1,134.0	1,162.4	1.50%

Source: IHS Markit Regional eExplorer version 1156

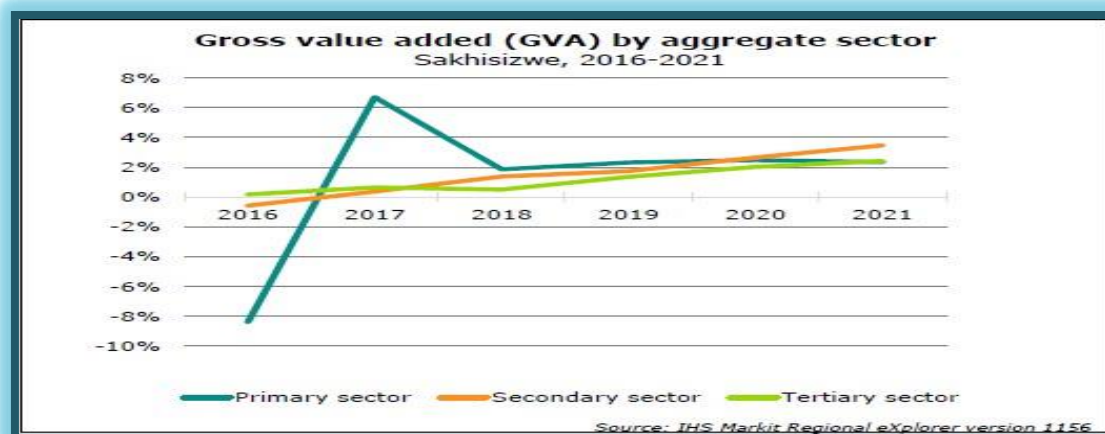
The agriculture sector is expected to grow fastest at an average of 3.51% annually from R 29.6 million in Sakhisizwe Local Municipality to R 35.1 million in 2021. The community services sector is estimated to be the largest sector within the Sakhisizwe Local Municipality in 2021, with a total share of 44.5% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.84%.

The Primary sector is expected to grow at an average annual rate of 3.12% between 2016 and 2021, with the Secondary sector growing at 1.91% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.38% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.



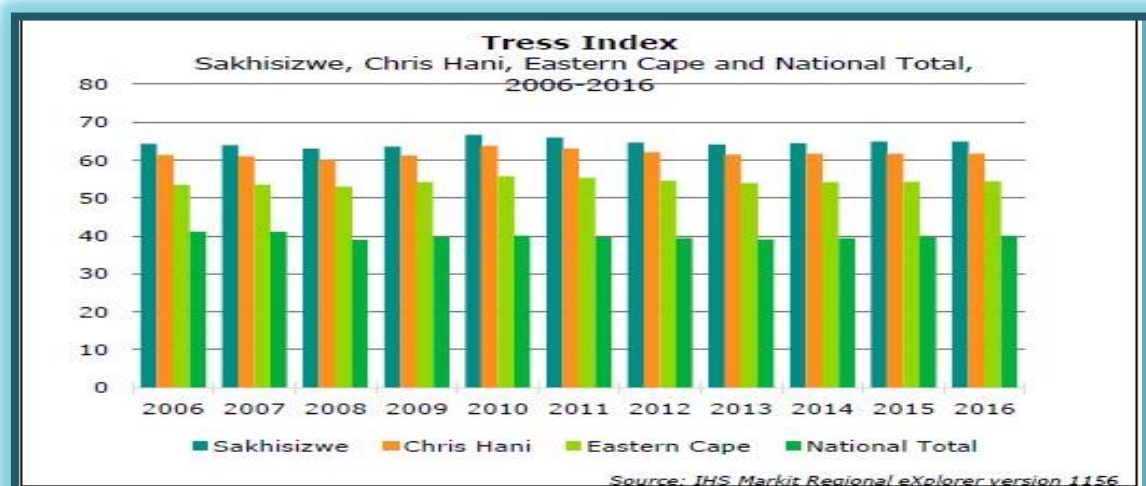
CHART 2322-1 GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016-2021 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



2.3.3 TRESS INDEX-CONCENTRATION OF ECONOMY

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 233-1 TRESS INDEX - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]



In 2016, Sakhisizwe's Tress Index was estimated at 64.9 which are higher than the 61.7 of the district municipality and higher than the 61.7 of the province. This implies that - on average - Sakhisizwe Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

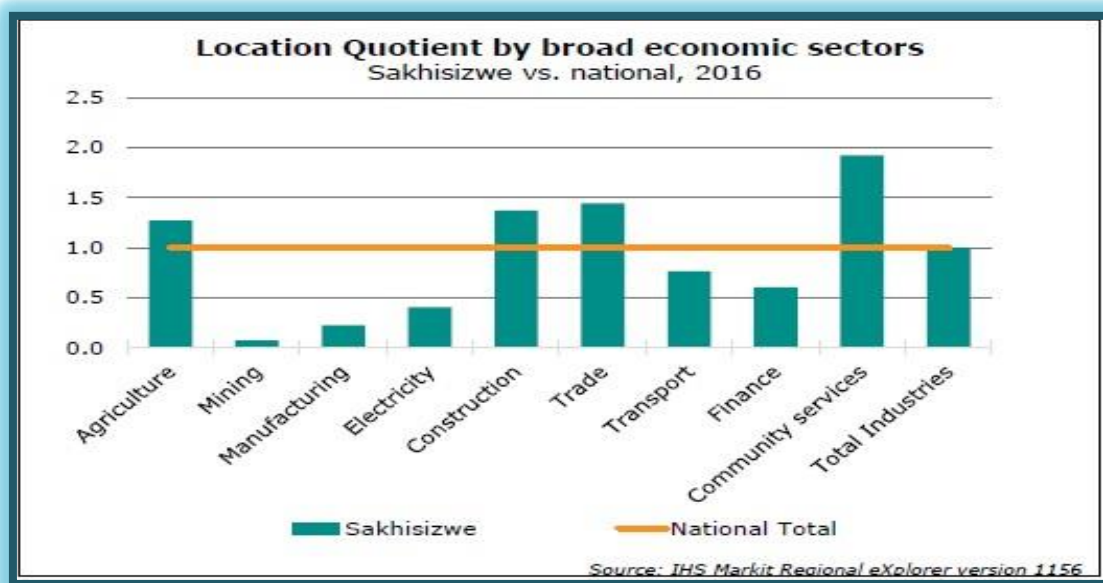
2.3.4 LOCATION QUOTIENT

This is defines as a specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage, (ECSECC 2017).

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.



CHART 2.3.4-1 LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - SAKHISIZWE LOCAL MUNICIPALITY AND SOUTH AFRICA, 2016 [NUMBER]



For 2016 Sakhisizwe Local Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Sakhisizwe Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Sakhisizwe Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.076.

2.4 LABOUR PROFILE

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 2.4.1-1 WORKING AGE POPULATION IN SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

AGE	Sakhisizwe		Chris Hani		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	8,970	5,950	108,000	74,800	803,000	634,000	5,290,000	4,550,000
20-24	6,750	6,180	77,000	76,100	701,000	694,000	5,260,000	5,000,000
25-29	4,840	5,840	56,800	74,200	530,000	684,000	4,550,000	5,620,000
30-34	2,930	5,220	36,900	62,200	355,000	589,000	3,570,000	5,300,000
35-39	2,400	3,640	30,900	49,300	288,000	438,000	2,930,000	4,240,000
40-44	2,550	2,420	32,800	33,200	286,000	298,000	2,610,000	3,120,000
45-49	2,810	2,010	34,700	28,800	286,000	247,000	2,290,000	2,530,000
50-54	2,540	2,270	30,800	31,300	241,000	249,000	1,880,000	2,260,000
55-59	1,880	2,460	26,300	33,400	205,000	249,000	1,520,000	1,990,000
60-64	1,840	2,190	25,000	28,600	171,000	207,000	1,170,000	1,610,000
Total	37,522	38,187	459,219	492,034	3,866,790	4,289,261	31,071,485	36,220,290

Source: IHS Markit Regional eXplorer version 1156



The working age population in Sakhisizwe in 2016 was 38 200, increasing at an average annual rate of 0.18% since 2006. For the same period the working age population for Chris Hani District Municipality increased at 0.69% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

2.4.1 Economically Active Population

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population, (ECSCC:2017).

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

TABLE 2.4.1-1. ECONOMICALLY ACTIVE POPULATION (EAP) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER, PERCENTAGE]

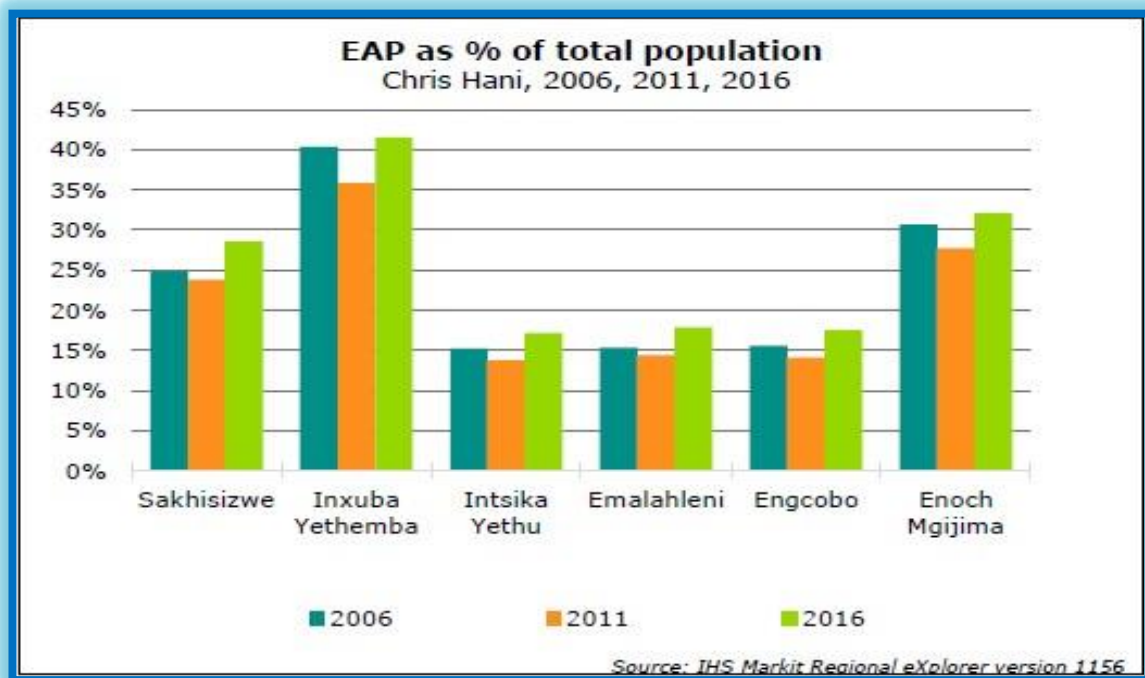
Sakhisizwe	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	16,400	183,000	1,840,000	17,500,000	9.0%	0.89%	0.09%
2007	16,400	183,000	1,850,000	18,000,000	9.0%	0.89%	0.09%
2008	16,200	182,000	1,840,000	18,400,000	8.9%	0.88%	0.09%
2009	15,700	177,000	1,790,000	18,300,000	8.9%	0.88%	0.09%
2010	15,100	170,000	1,730,000	18,100,000	8.9%	0.87%	0.08%
2011	15,100	170,000	1,740,000	18,300,000	8.9%	0.87%	0.08%
2012	15,300	173,000	1,770,000	18,700,000	8.9%	0.87%	0.08%
2013	16,100	182,000	1,840,000	19,300,000	8.8%	0.87%	0.08%
2014	17,100	195,000	1,940,000	20,100,000	8.8%	0.88%	0.08%
2015	17,900	204,000	2,000,000	20,800,000	8.8%	0.89%	0.09%
2016	18,400	210,000	2,060,000	21,300,000	8.8%	0.90%	0.09%
Average Annual growth							
2006-2016	1.16%	1.40%	1.12%	1.97%			

Source: IHS Markit Regional eXplorer version 1156



Sakhisizwe Local Municipality's EAP was 18 400 in 2016, which is 28.54% of its total population of 64 500, and roughly 8.76% of the total EAP of the Chris Hani District Municipality. From 2006 to 2016, the average annual increase in the EAP in the Sakhisizwe Local Municipality was 1.16%, which is 0.235 percentage points lower than the growth in the EAP of Chris Hani's for the same period.

CHART 2.4.1-1 EAP AS % OF TOTAL POPULATION - SAKHISIZWE AND THE REST OF



CHRIS HANI, 2006, 2011, 2016 [PERCENTAGE]

In 2006, 24.8% of the total population in Sakhisizwe Local Municipality were classified as economically active which increased to 28.5% in 2016. Compared to the other regions in Chris Hani District Municipality, Inxuba Yethemba local municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Intsika Yethu local municipality had the lowest EAP with 17.2% people classified as economically active population in 2016.

2.4.1.1 Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

TABLE 2411-1. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

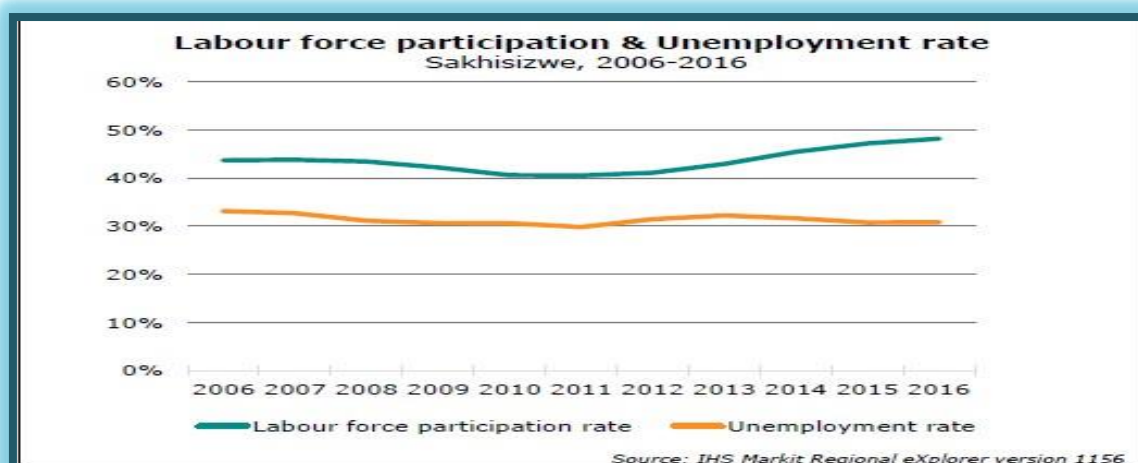
	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	43.7%	39.9%	47.6%	56.4%
2007	43.8%	39.7%	47.3%	57.0%
2008	43.5%	39.1%	46.5%	57.4%
2009	42.2%	37.7%	44.9%	56.2%
2010	40.6%	36.0%	42.9%	54.5%
2011	40.6%	35.7%	42.6%	54.3%
2012	41.1%	36.2%	43.1%	54.7%
2013	43.0%	38.0%	44.4%	55.7%
2014	45.5%	40.3%	46.2%	57.1%
2015	47.2%	41.8%	47.3%	58.1%
2016	48.2%	42.7%	47.9%	58.8%

Source: IHS Markit Regional eXplorer version 1156



The Sakhisizwe Local Municipality's labour force participation rate increased from 43.73% to 48.22% which is an increase of 4.5 percentage points. The Chris Hani District Municipality increased from 39.86% to 42.73%, Eastern Cape Province increased from 47.58% to 47.93% and South Africa increased from 56.37% to 58.77% from 2006 to 2016. The Sakhisizwe Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2006 to 2016. The Sakhisizwe Local Municipality had a lower labour force participation rate when compared to South Africa in 2016.

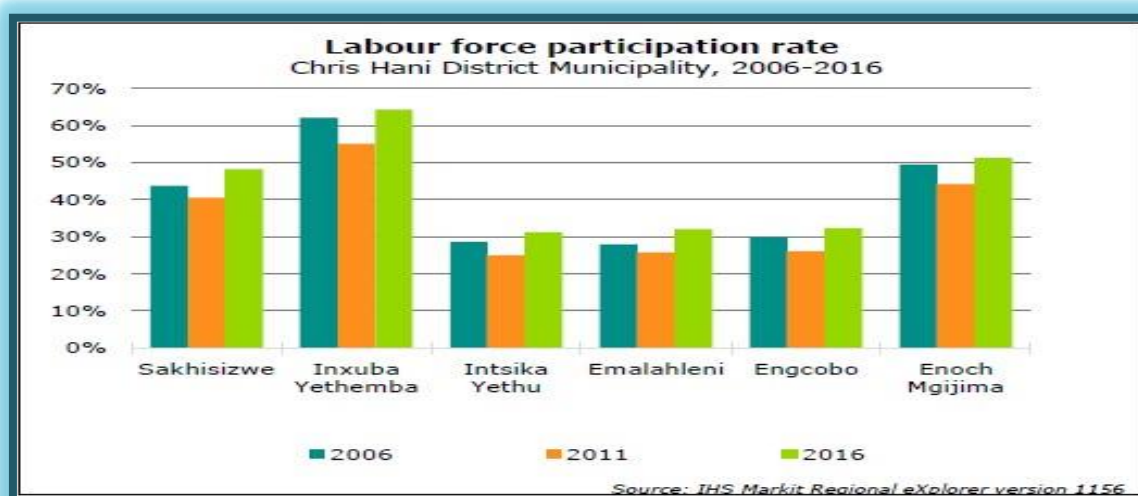
CHART 2411-1. THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



In 2016 the labour force participation rate for Sakhisizwe was at 48.2% which is slightly higher when compared to the 43.7% in 2006. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for Sakhisizwe was 33.2% and decreased overtime to 30.8% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Sakhisizwe Local Municipality.

Inxuba Yethemba local municipality had the highest labour force participation rate with 64.3% in 2016 increasing from 62.1% in 2006. Intsika Yethu local municipality had the lowest labour force participation rate of 31.2% in 2016, this increased from 28.5% in 2006.

CHART 2411-2 THE LABOUR FORCE PARTICIPATION RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA, 2006, 2011 AND 2016 [PERCENTAGE]





2.4.2 Total Employment

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE: 242-1 TOTAL EMPLOYMENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	9,670	120,000	1,330,000	13,000,000
2007	9,780	121,000	1,350,000	13,500,000
2008	9,910	123,000	1,350,000	14,100,000
2009	9,670	120,000	1,320,000	14,000,000
2010	9,280	115,000	1,260,000	13,600,000
2011	9,360	115,000	1,260,000	13,800,000
2012	9,240	115,000	1,270,000	14,000,000
2013	9,550	119,000	1,310,000	14,500,000
2014	10,300	128,000	1,370,000	15,100,000
2015	10,900	136,000	1,430,000	15,500,000
2016	11,200	140,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	1.49%	1.57%	0.91%	1.89%

Source: IHS Markit Regional eXplorer version 1156

In 2016, Sakhisizwe employed 11 200 people which is 8.02% of the total employment in Chris Hani District Municipality (140 000), 0.77% of total employment in Eastern Cape Province (1.46 million), and 0.07% of the total employment of 15.7 million in South Africa. Employment within Sakhisizwe increased annually at an average rate of 1.49% from 2006 to 2016. The Sakhisizwe Local Municipality average annual employment growth rate of 1.49% exceeds the average annual labour force growth rate of 1.16% resulting in unemployment decreasing from 33.17% in 2006 to 30.85% in 2016 in the local municipality.

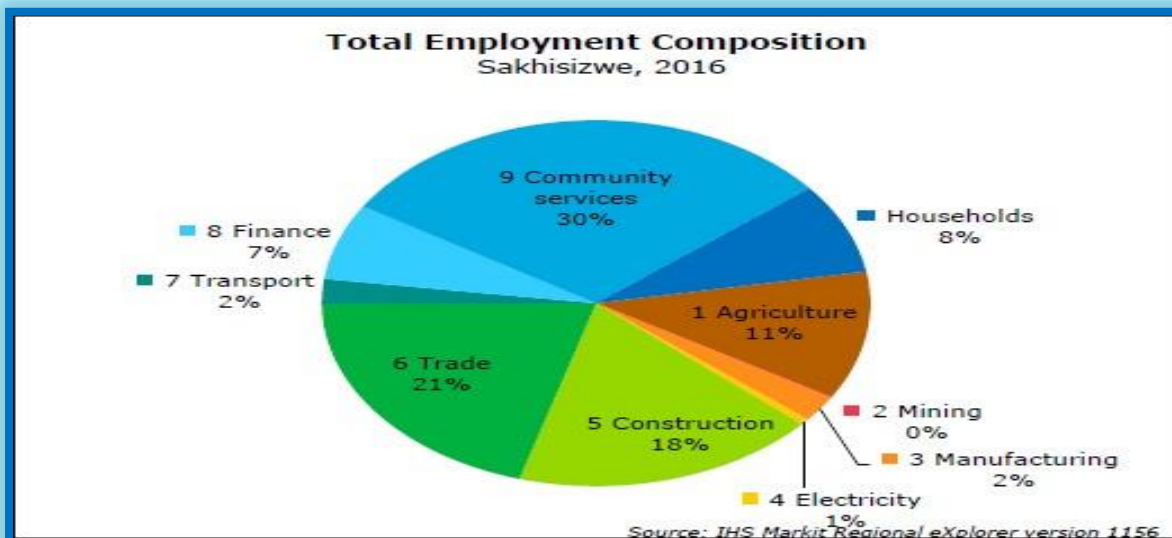
TABLE 242-2. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [NUMBERS]

	Sakhisi zwe	Inxuba Yethemb a	Intsika Yethu	Emalahl eni	Engcobo	Enoch Mgijima	Total Chris Hani
Agriculture	1,270	3,140	909	699	365	4,620	11,006
Mining	11	5	14	11	18	64	122
Manufacturing	259	1,160	736	420	607	3,300	6,490
Electricity	63	66	38	43	30	224	464
Constructi on	2,020	2,770	2,400	1,570	2,130	7,040	17,926
Trade	2,290	3,650	3,110	2,050	3,350	14,000	28,412
Transport	242	1,240	587	315	481	2,330	5,194
Finance	755	1,910	1,130	709	1,210	6,240	11,951
Communit y services	3,400	7,700	4,910	3,010	5,040	21,300	45,377
Household s	899	2,100	1,170	846	809	6,940	12,761
Total	11,200	23,700	15,000	9,680	14,000	66,000	139,701

Source: IHS Markit Regional eXplorer version 1156



Sakhisizwe Local Municipality employs a total number of 11 200 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Chris Hani District Municipality is Enoch Mgijima local municipality with a total number of 66 000. The local municipality that employs the lowest number of people relative to the other regions within Chris Hani District Municipality is Emalahleni local municipality with a total number of 9 680 employed people.



In Sakhisizwe Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 3 400 employed people or 30.3% of total employment in the local municipality. The trade sector with a total of 2 290 (20.5%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 10.9 (0.1%) is the sector that employs the least number of people in Sakhisizwe Local Municipality, followed by the electricity sector with 62.5 (0.6%) people employed.

CHART 241-1. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

2.4.3 Formal and Informal Employment

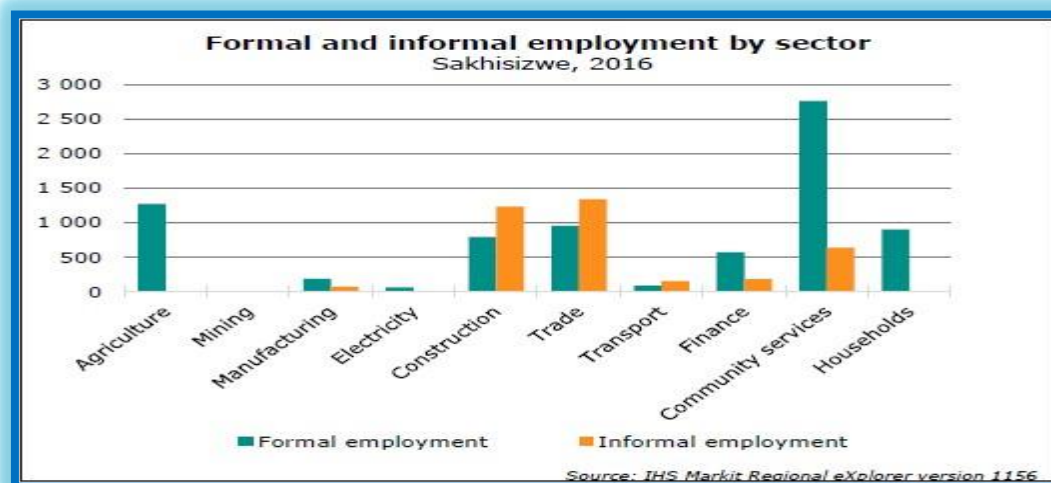
Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sakhisizwe Local Municipality counted 7 590 in 2016, which is about 67.75% of total employment, while the number of people employed in the informal sector counted 3 610 or 32.25% of the total employment. Informal employment in Sakhisizwe increased from 2 990 in 2006 to an estimated 3 610 in 2016.



CHART 243-1 FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [NUMBERS]



In 2016 the Trade sector recorded the highest number of informally employed, with a total of 1 340 employees or 37.03% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The In 2016 the Trade sector recorded the highest number of informally employed, with a total of 1 340 employees or 37.03% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors.

TABLE 243-1 FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [NUMBERS]

	Formal employment	Informal employment
Agriculture	1,270	N/A
Mining	11	N/A
Manufacturing	189	71
Electricity	63	N/A
Construction	788	1,230
Trade	953	1,340
Transport	90	152
Finance	571	184
Community services	2,760	640
Households	899	N/A

Source: IHS Markit Regional eXplorer version 1156

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

2.4.4 Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the



Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- ❑ "Without work", i.e. not in paid employment or self-employment;
- ❑ "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- ❑ "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 244-1 UNEMPLOYMENT (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
2006	5,440	59,800	512,000	4,510,000	9.1%	1.06%	0.12%
2007	5,380	58,700	503,000	4,460,000	9.2%	1.07%	0.12%
2008	5,050	55,800	488,000	4,350,000	9.1%	1.04%	0.12%
2009	4,820	53,600	483,000	4,370,000	9.0%	1.00%	0.11%
2010	4,630	51,700	480,000	4,490,000	9.0%	0.96%	0.10%
2011	4,510	50,400	485,000	4,570,000	8.9%	0.93%	0.10%
2012	4,820	54,000	508,000	4,690,000	8.9%	0.95%	0.10%
2013	5,180	58,200	542,000	4,850,000	8.9%	0.96%	0.11%
2014	5,410	61,100	569,000	5,060,000	8.9%	0.95%	0.11%
2015	5,500	62,400	583,000	5,290,000	8.8%	0.94%	0.10%
2016	5,680	64,800	603,000	5,600,000	8.8%	0.94%	0.10%
Average Annual growth							
2006-2016	0.43%	0.81%	1.65%	2.19%			

Source: IHS Markit Regional eXplorer version 1156

In 2016, there were a total number of 5 680 people unemployed in Sakhisizwe, which is an increase of 238 from 5 440 in 2006. The total number of unemployed people within Sakhisizwe constitutes 8.76% of the total number of unemployed people in Chris Hani District Municipality. The Sakhisizwe Local Municipality experienced an average annual increase of 0.43% in the number of unemployed people, which is better than that of the Chris Hani District Municipality which had an average annual increase in unemployment of 0.81%.

TABLE 244-2. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	33.2%	32.7%	27.8%	25.8%
2007	32.7%	32.0%	27.2%	24.8%
2008	31.1%	30.6%	26.6%	23.6%
2009	30.7%	30.3%	26.9%	23.8%
2010	30.6%	30.4%	27.7%	24.8%
2011	29.8%	29.7%	27.9%	24.9%
2012	31.5%	31.2%	28.7%	25.0%
2013	32.2%	32.0%	29.4%	25.1%
2014	31.7%	31.4%	29.4%	25.1%

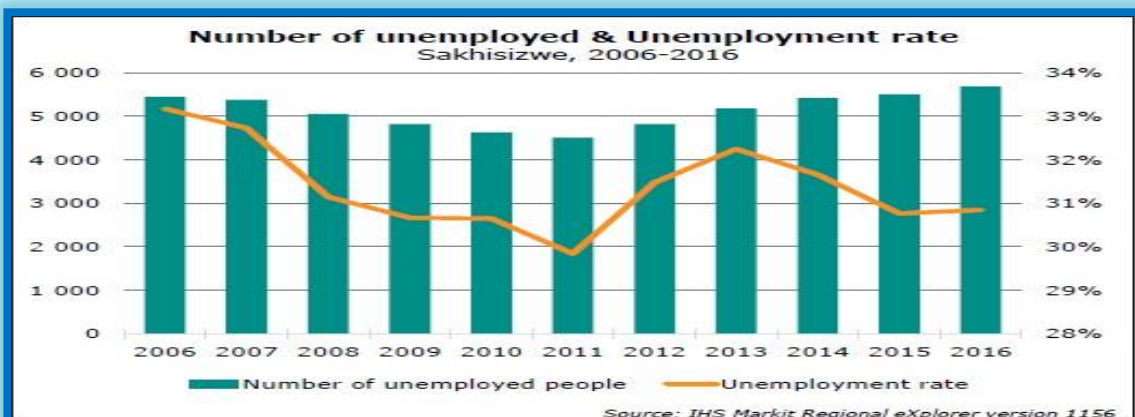


2015	30.8%	30.7%	29.1%	25.5%
2016	30.8%	30.8%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

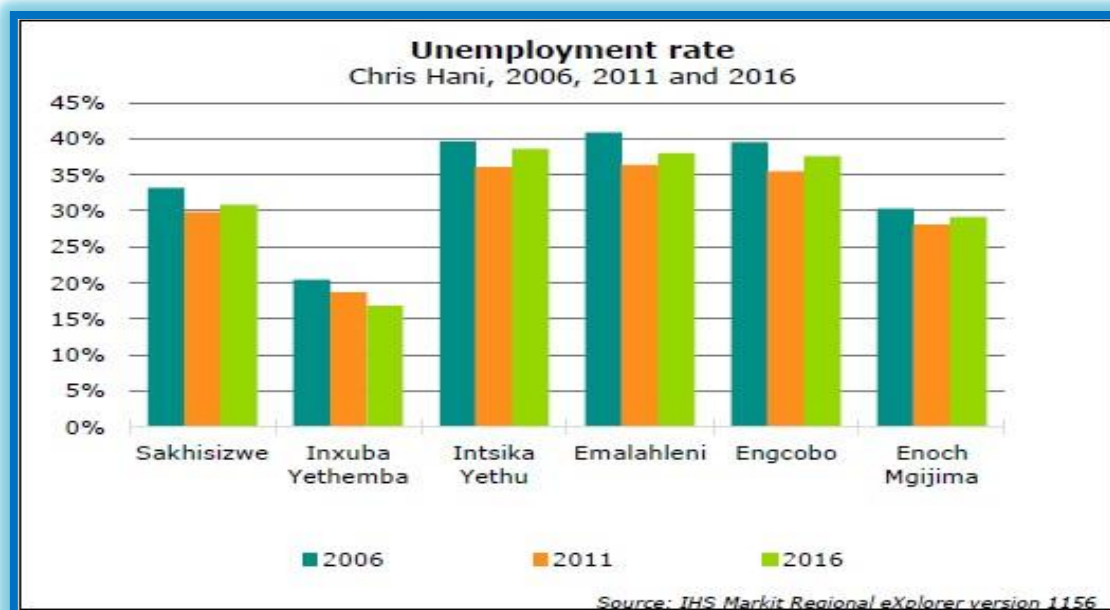
In 2016, the unemployment rate in Sakhisizwe Local Municipality (based on the official definition of unemployment) was 30.85%, which is a decrease of -2.32 percentage points. The unemployment rate in Sakhisizwe Local Municipality is higher than that of Chris Hani. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Sakhisizwe Local Municipality was higher than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is a decrease of -0.563 percentage points from 25.77% in 2006.

CHART 244-1. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]



When comparing unemployment rates among regions within Chris Hani District Municipality, Intsika Yethu local municipality has indicated the highest unemployment rate of 38.6%, which has decreased from 39.6% in 2006. It can be seen that the Inxuba Yethemba local municipality had the lowest unemployment rate of 16.8% in 2016, this decreased from 20.4% in 2006.

CHART 244-2. UNEMPLOYMENT RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA, 2006, 2011 AND 2016 [PERCENTAGE]





2.5 HOUSEHOLD INCOME AND EXPENDITURE

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

2.5.1 Number of Households By Income Category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

TABLE 251-1 HOUSEHOLDS BY INCOME CATEGORY - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
0-2400	2	25	206	1,880	7.8%	0.96%	0.10%
2400-6000	34	443	3,800	33,300	7.7%	0.90%	0.10%
6000-12000	363	4,620	38,400	314,000	7.9%	0.95%	0.12%
12000-18000	709	9,310	76,400	624,000	7.6%	0.93%	0.11%
18000-30000	2,130	27,600	220,000	1,720,000	7.7%	0.97%	0.12%
30000-42000	2,340	30,300	231,000	1,730,000	7.7%	1.01%	0.14%
42000-54000	2,110	27,300	204,000	1,520,000	7.7%	1.04%	0.14%
54000-72000	2,240	29,500	217,000	1,630,000	7.6%	1.03%	0.14%
72000-96000	1,890	25,100	185,000	1,490,000	7.5%	1.02%	0.13%
96000-132000	1,510	20,400	156,000	1,390,000	7.4%	0.97%	0.11%
132000-192000	1,180	16,100	133,000	1,320,000	7.3%	0.89%	0.09%
192000-360000	1,150	15,600	150,000	1,690,000	7.3%	0.77%	0.07%
360000-600000	607	8,100	88,200	1,090,000	7.5%	0.69%	0.06%
600000-1200000	379	5,000	59,000	785,000	7.6%	0.64%	0.05%
1200000-2400000	109	1,460	17,600	238,000	7.5%	0.62%	0.05%
2400000+	14	209	2,670	39,100	6.7%	0.52%	0.04%
Total	16,800	221,000	1,780,000	15,600,000	7.6%	0.94%	0.11%

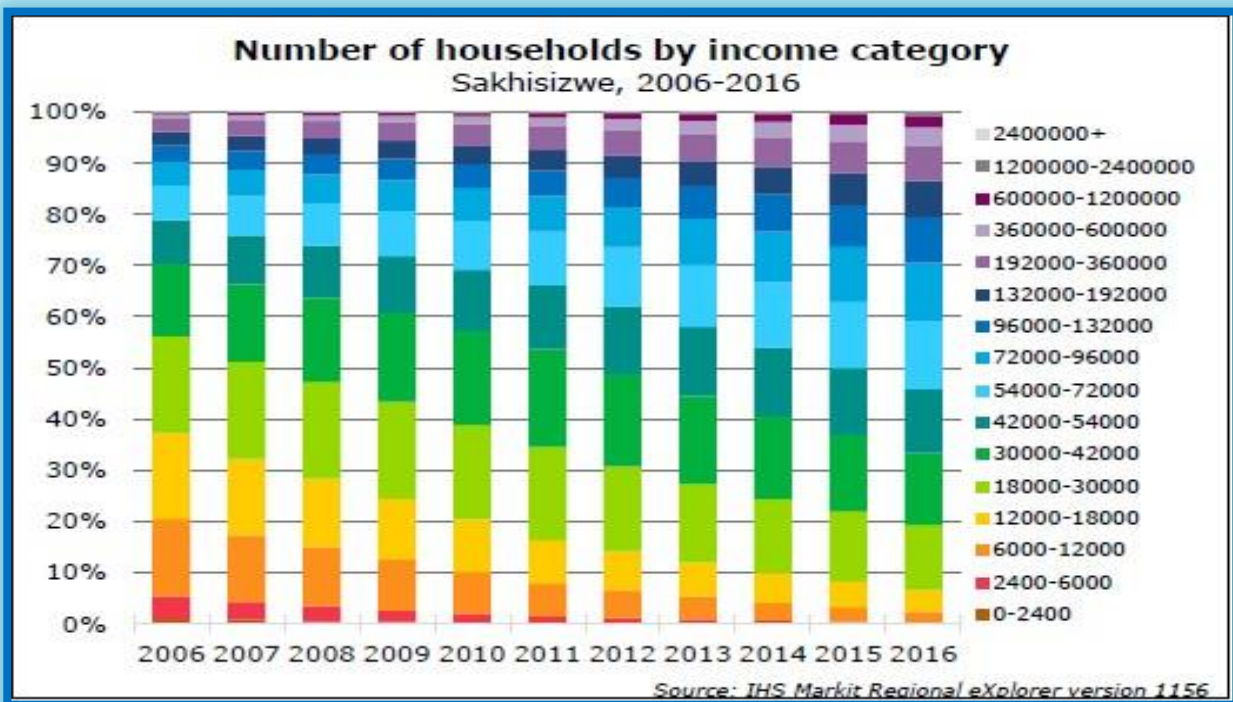
Source: IHS Markit Regional eXplorer version 1156

It was estimated that in 2016 19.33% of all the households in the Sakhisizwe Local Municipality, were living on R30,000 or less per annum. In comparison with 2006's 56.16%, the number is more than half.

The 30000-42000 income category has the highest number of households with a total number of 2 340, followed by the 54000-72000 income category with 2 240 households. Only 2 households fall within the 0-2400 income category.



CHART 251-1 HOUSEHOLDS BY INCOME BRACKET - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



For the period 2006 to 2016 the number of households earning more than R30,000 per annum has increased from 43.84% to 80.67%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.5.2 Annual Total Personal Income

Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account, (ECSCC: 2017).

TABLE 252-1. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]

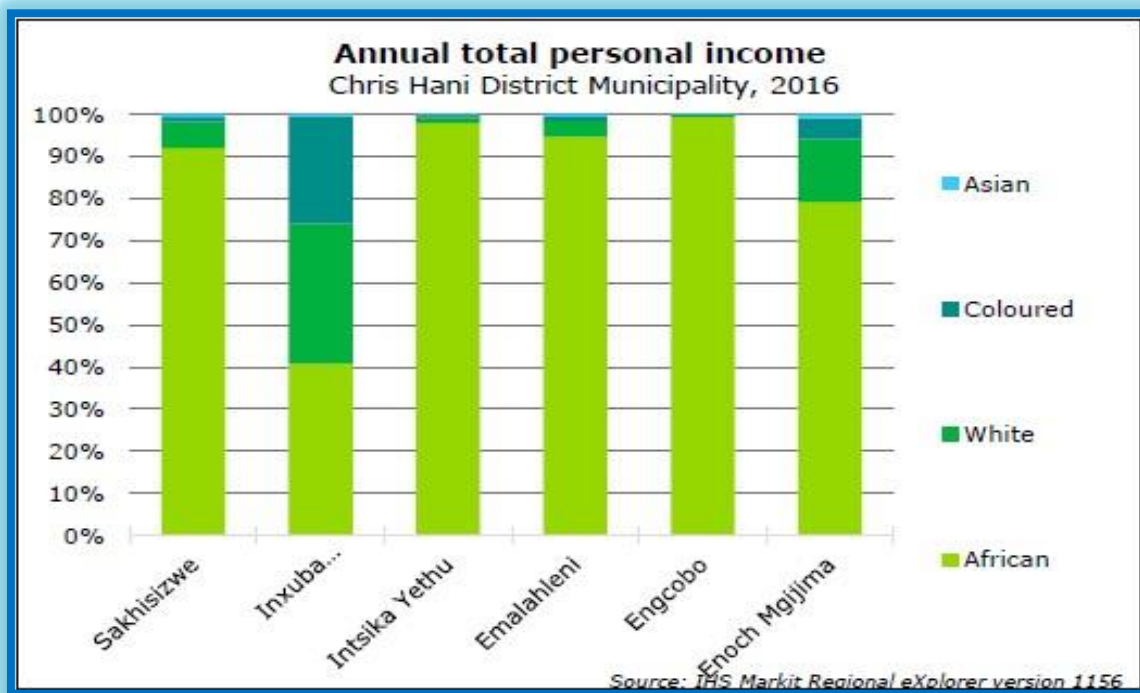
	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	0.8	10.2	106.6	1,259.4
2007	0.9	11.6	121.0	1,432.2
2008	1.0	13.0	134.0	1,587.9
2009	1.1	14.0	143.3	1,695.1
2010	1.1	15.0	154.3	1,843.3
2011	1.2	16.4	168.2	2,033.0
2012	1.4	18.2	187.5	2,226.5
2013	1.5	20.1	204.6	2,414.5
2014	1.7	22.1	220.0	2,596.7
2015	1.8	24.5	239.4	2,783.4
2016	2.1	27.6	264.5	2,995.4
Average Annual growth				
2006-2016	9.93%	10.46%	9.52%	9.05%

Source: IHS Markit Regional eXplorer version 1156



Sakhisizwe Local Municipality recorded an average annual growth rate of 9.93% (from R 796 million to R 2.05 billion) from 2006 to 2016, which is less than Chris Hani's (10.46%), but more than Eastern Cape Province's (9.52%) average annual growth rates. South Africa had an average annual growth rate of 9.05% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in Sakhisizwe Local Municipality.

CHART 252-1 ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI [CURRENT PRICES, R BILLIONS]



The total personal income of Sakhisizwe Local Municipality amounted to approximately R 2.05 billion in 2016. The African population group earned R 1.89 billion, or 91.97% of total personal income, while the White population group earned R 128 million, or 6.23% of the total personal income. The Coloured and the Asian population groups only had a share of 1.09% and 0.71% of total personal income respectively.

TABLE 252-2. ANNUAL TOTAL PERSONAL INCOME - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA [CURRENT PRICES, R BILLIONS]

	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2006	0.80	1.46	1.50	1.11	1.45	3.89
2007	0.90	1.67	1.69	1.26	1.65	4.44
2008	1.00	1.86	1.88	1.42	1.84	4.96
2009	1.07	1.98	2.03	1.54	1.98	5.36
2010	1.15	2.14	2.17	1.66	2.12	5.80
2011	1.25	2.33	2.33	1.79	2.30	6.35
2012	1.38	2.64	2.57	1.98	2.54	7.12
2013	1.51	2.97	2.82	2.18	2.79	7.84
2014	1.65	3.30	3.08	2.40	3.05	8.59
2015	1.83	3.61	3.45	2.69	3.40	9.52
2016	2.05	3.86	3.90	3.05	3.85	10.91
Average Annual growth						
2006-2016	9.93%	10.21%	10.03%	10.60%	10.22%	10.87%



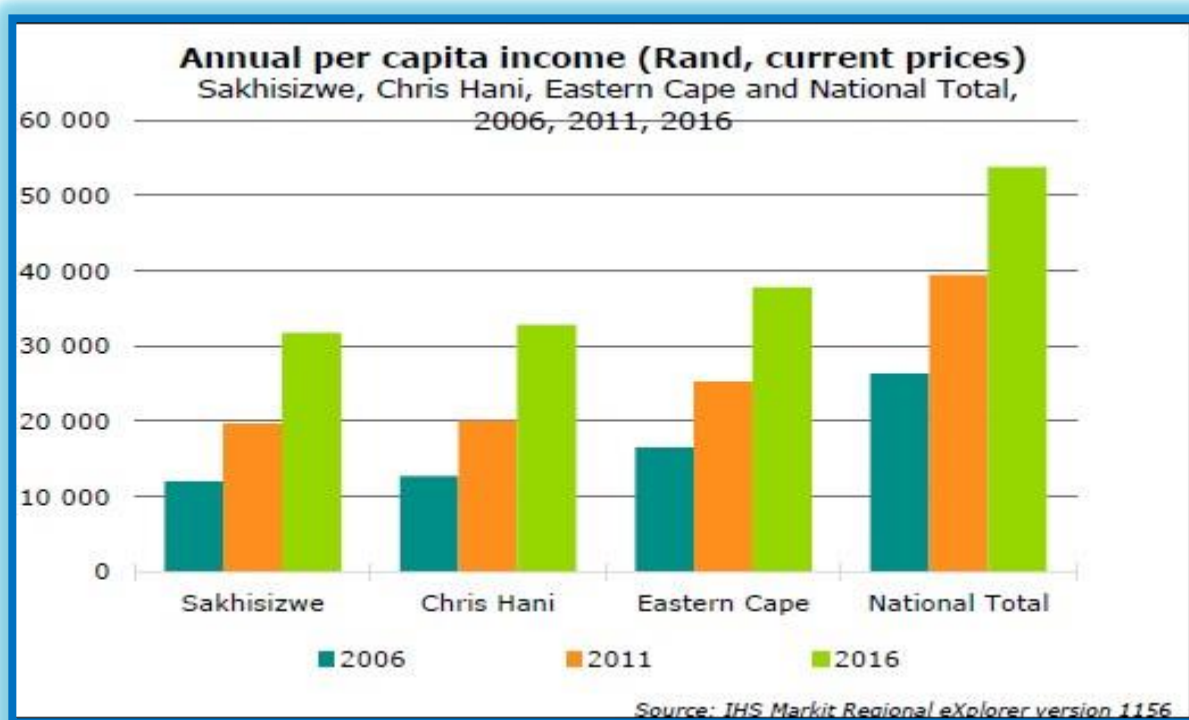
Source: IHS Markit Regional eXplorer version 1156

When looking at the annual total personal income for the regions within Chris Hani District Municipality it can be seen that the Enoch Mgijima local municipality had the highest total personal income with R 10.9 billion which increased from R 3.89 billion recorded in 2006. It can be seen that the Sakhisizwe local municipality had the lowest total personal income of R 2.05 billion in 2016, this increased from R 796 million in 2006.

2.5.3 Annual Per Capita Income

Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population. Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 253-1 PER CAPITA INCOME - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [RAND, CURRENT PRICES]



The per capita income in Sakhisizwe Local Municipality is R 31,800 and is lower than both the Eastern Cape (R 37,800) and of the Chris Hani District Municipality (R 32,800) per capita income. The per capita income for Sakhisizwe Local Municipality (R 31,800) is lower than that of the South Africa as a whole which is R 53,800.

TABLE 253-1. PER CAPITA INCOME BY POPULATION GROUP - SAKHISIZWE AND THE REST OF CHRIS HANI DISTRICT MUNICIPALITY, 2016 [RAND, CURRENT PRICES]

African	
Sakhisizwe	29,800
Inxuba Yethemba	37,900
Intsika Yethu	25,100
Emalahleni	23,400
Engcobo	24,000
Enoch Mgijima	34,500

Source: IHS Markit Regional eXplorer version 1156

Inxuba Yethemba local municipality has the highest per capita income with a total of R 55,300. Enoch Mgijima local municipality had the second highest per capita income at R 40,500, whereas



Engcobo local municipality had the lowest per capita income at R 24,000. In Sakhisizwe Local Municipality, the African population group has the highest per capita income, with R 29,800, relative to the other population groups. Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

2.5.4 Index of Buying Power-(IBP)

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 254-1. INDEX OF BUYING POWER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER]

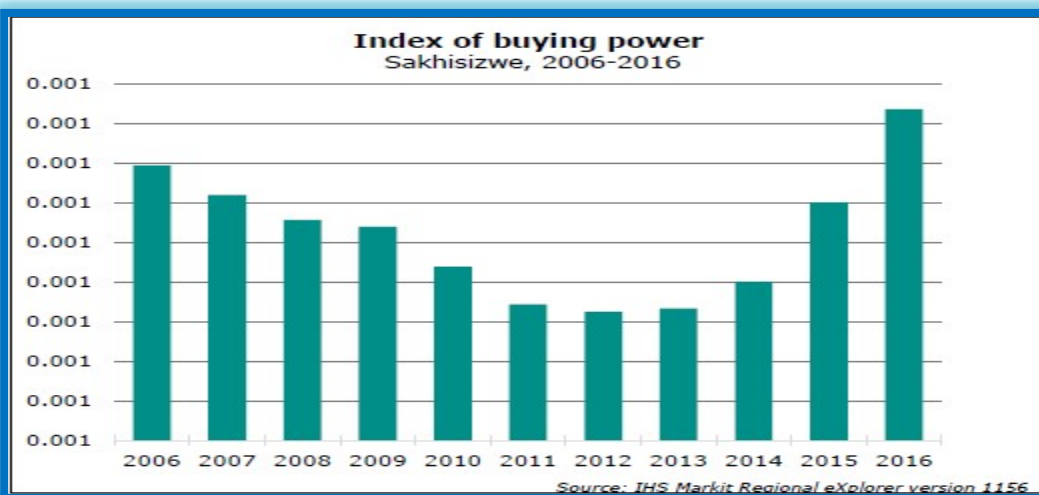
	Sakhisizwe	Chris Hani	Eastern Cape	National Total
Population	64,521	841,493	7,006,876	55,724,934
Population - share of national total	0.1%	1.5%	12.6%	100.0%
Income	2,052	27,618	264,506	2,995,448
Income - share of national total	0.1%	0.9%	8.8%	100.0%
Retail	638,480	8,469,255	79,545,670	926,561,000
Retail - share of national total	0.1%	0.9%	8.6%	100.0%
Index	0.00	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 1156

Sakhisizwe Local Municipality has a 0.1% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.00073 relative to South Africa as a whole. Chris Hani has an IBP of 0.0098, were Eastern Cape Province has and IBP index value of 0.091 and South Africa a value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Sakhisizwe Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Chris Hani District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

CHART 254-1. INDEX OF BUYING POWER SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016





[INDEX VALUE]

Between 2006 and 2016, the index of buying power within Sakhisizwe Local Municipality increased to its highest level in 2016 (0.0007335) from its lowest in 2012 (0.0006824). Although the buying power within Sakhisizwe Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.20%.

2.6 HUMAN DEVELOPMENT

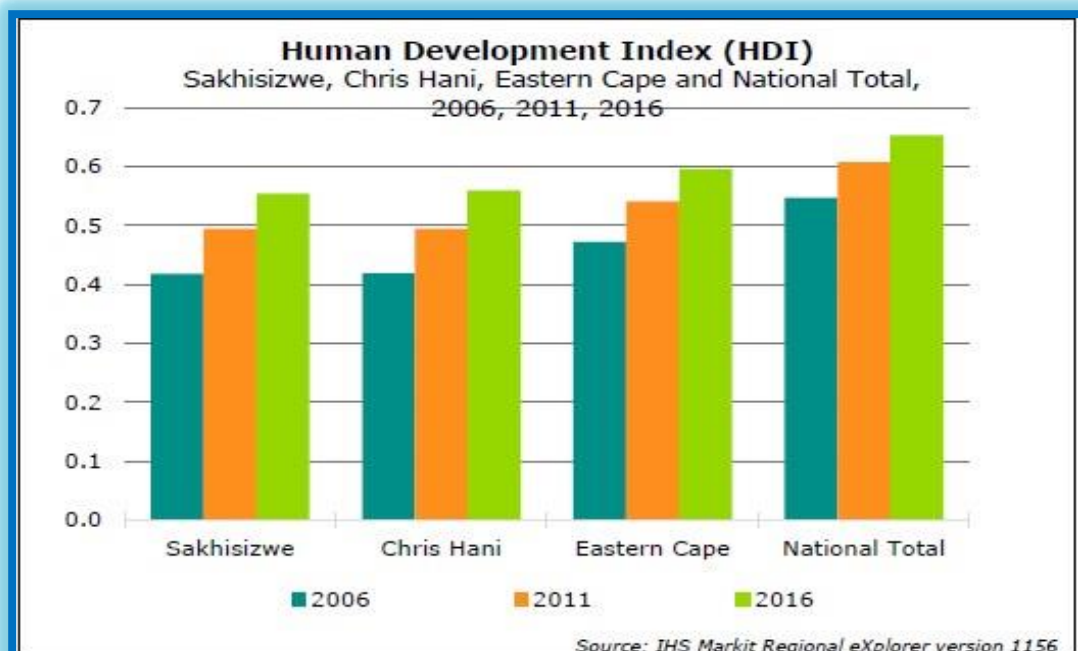
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

2.6.1 Human Development Index (HDI)

The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

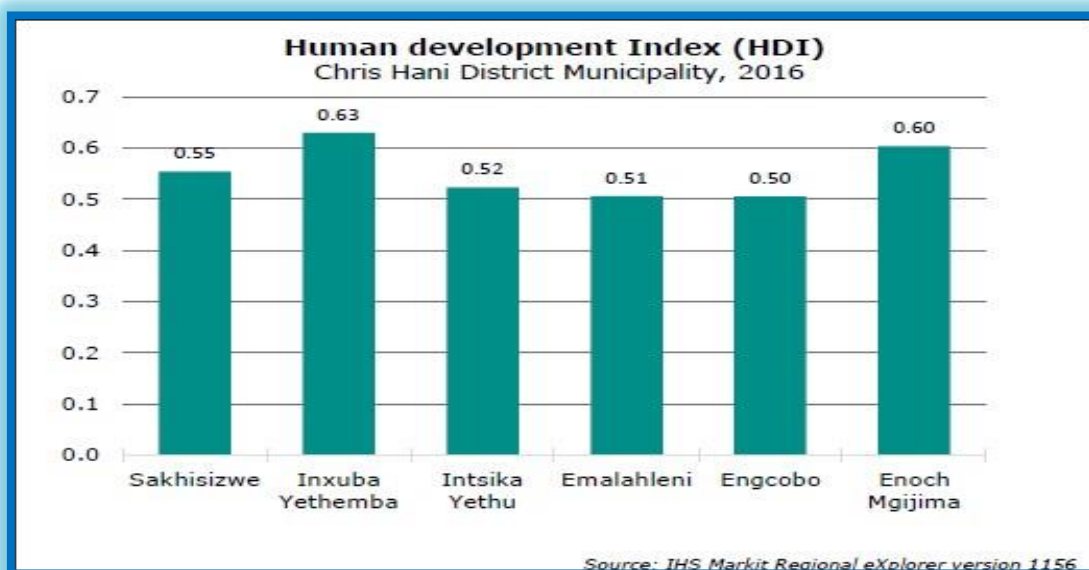
CHART 261-1 HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006, 2011, 2016 [NUMBER]



In 2016 Sakhisizwe Local Municipality had an HDI of 0.554 compared to the Chris Hani with a HDI of 0.559, 0.596 of Eastern Cape and 0.653 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2016 when compared to Sakhisizwe Local Municipality which translates to worse human development for Sakhisizwe Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.79% and this increase is lower than that of Sakhisizwe Local Municipality (2.87%).



CHART 261-2 HUMAN DEVELOPMENT INDEX (HDI) - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGJIMA, 2016 [NUMBER]

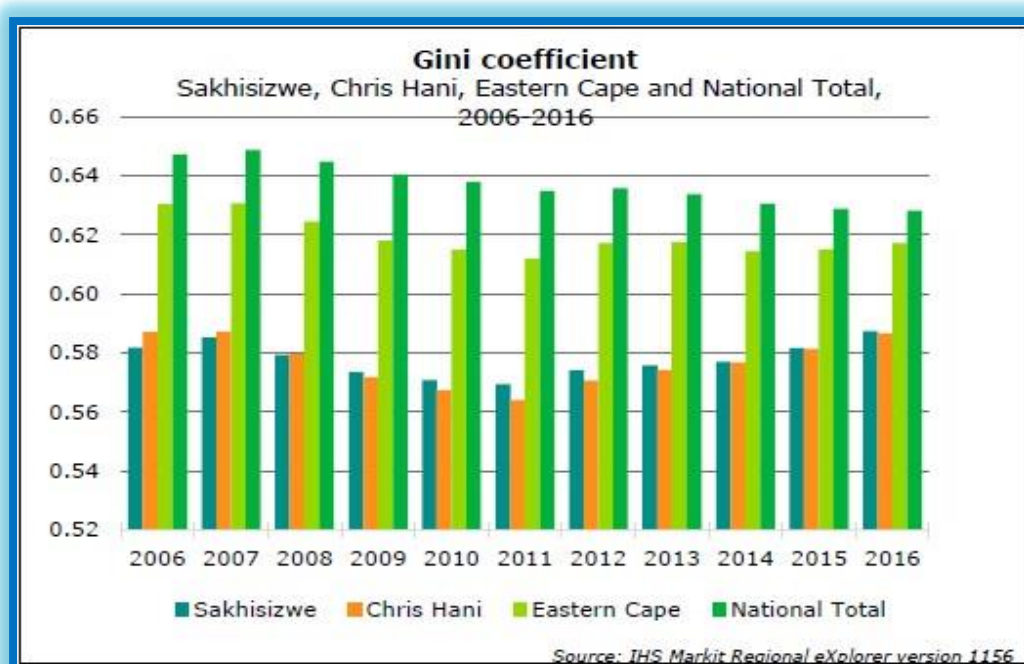


In terms of the HDI for each the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest HDI, with an index value of 0.63. The lowest can be observed in the Engcobo local municipality with an index value of 0.505.

2.6.2 Gini Coefficient

Gini Coefficient is a summary statistic of income inequality, it varies from 0-1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70, (ECSECC:2017).

CHART 262-1. GINI COEFFICIENT - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006/2016 [NUMBER]

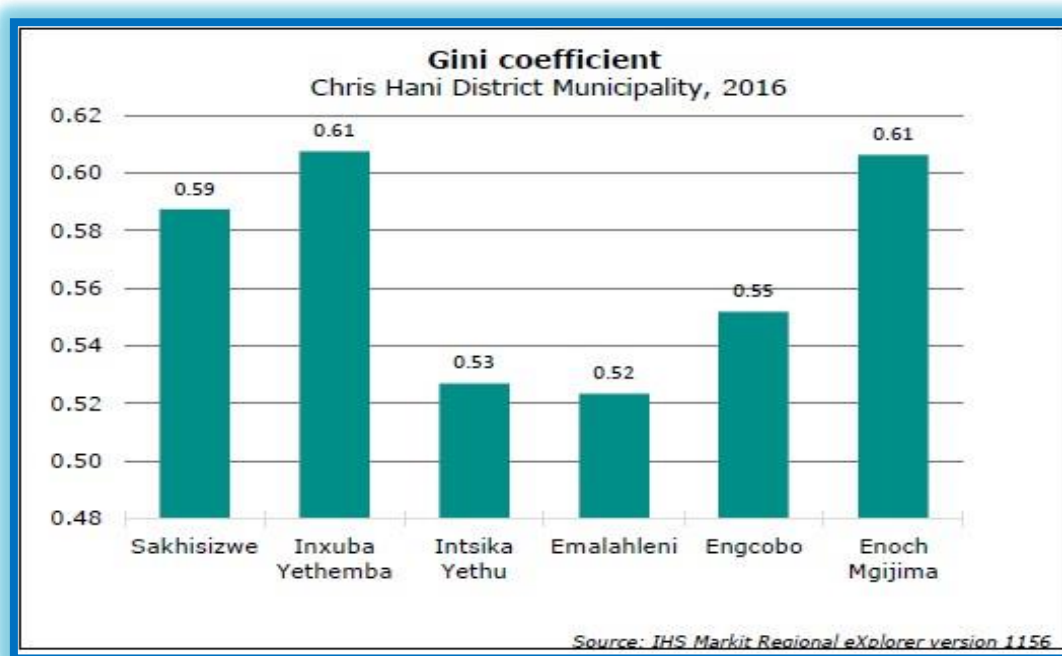




In 2016, the Gini coefficient in Sakhisizwe Local Municipality was at 0.587, which reflects a marginal increase in the number over the ten-year period from 2006 to 2016. The Chris Hani District Municipality and the Eastern Cape Province had a Gini coefficient of 0.587 and 0.617 respectively. When Sakhisizwe Local Municipality is contrasted against the entire South Africa, it can be seen that Sakhisizwe has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.628 in 2016. This has been the case for the entire 10 year history.

In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest Gini coefficient, with an index value of 0.607. The lowest Gini coefficient can be observed in the Emalahleni local municipality with an index value of 0.523.

CHART 262-2. GINI COEFFICIENT - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA, 2016 [NUMBER]



2.6.3 Poverty Levels

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

In 2016, there were 42 600 people living in poverty, using the upper poverty line definition, across Sakhisizwe Local Municipality - this is 14.00% lower than the 49 500 in 2006. The percentage of people living in poverty has decreased from 74.92% in 2006 to 66.01% in 2016, which indicates a decrease of 8.91 percentage points.



CHART 263-1. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

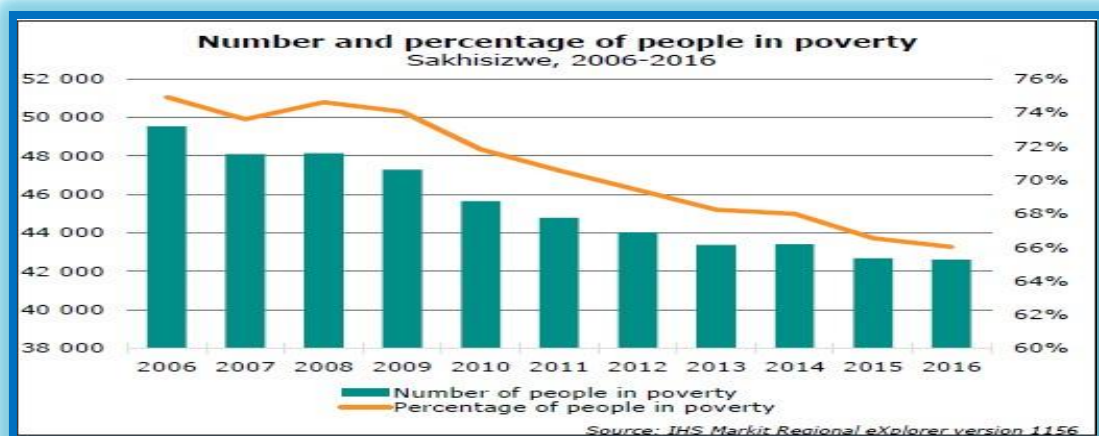


TABLE 263-1 PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - SAKHISIZWE, 2006-2016 [PERCENTAGE]

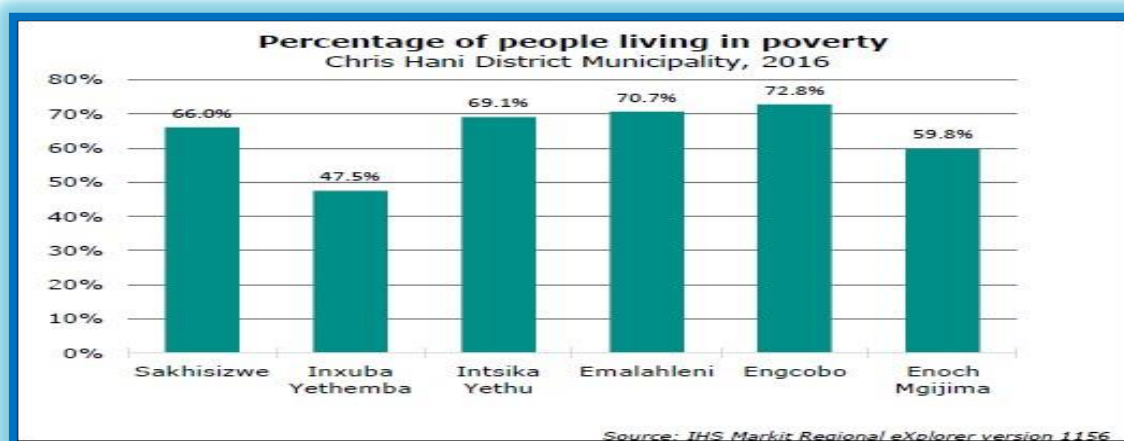
African	
2006	76.0%
2007	74.7%
2008	75.7%
2009	75.2%
2010	72.9%
2011	71.7%
2012	70.5%
2013	69.3%
2014	69.0%
2015	67.5%
2016	67.0%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the population group with the highest percentage of people living in poverty was the African population group with a total of 76.0% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by 9.05 percentage points, as can be seen by the change from 76.04% in 2006 to 66.99% in 2016.



CHART 263-2. PERCENTAGE OF PEOPLE LIVING IN POVERTY - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGJIMA, 2016 [PERCENTAGE]



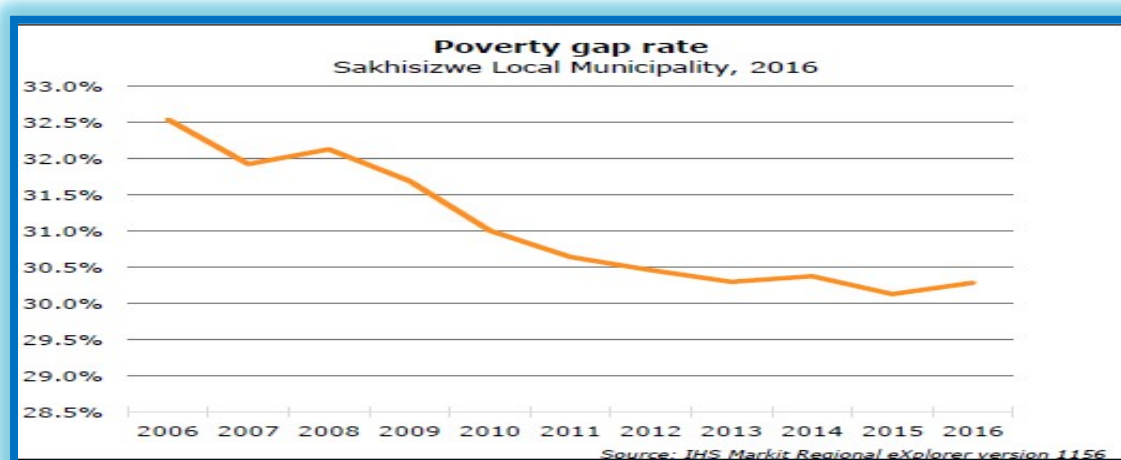
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo local municipality has the highest percentage of people living in poverty, with a total of 72.8%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba local municipality with a total of 47.5% living in poverty, using the upper poverty line definition.

2.6.3.1 Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other, (ECSECC:2017).

It is estimated that the poverty gap rate in Sakhisizwe Local Municipality amounted to 30.3% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty.

CHART 2631-1 POVERTY GAP RATE BY POPULATION GROUP - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [%]

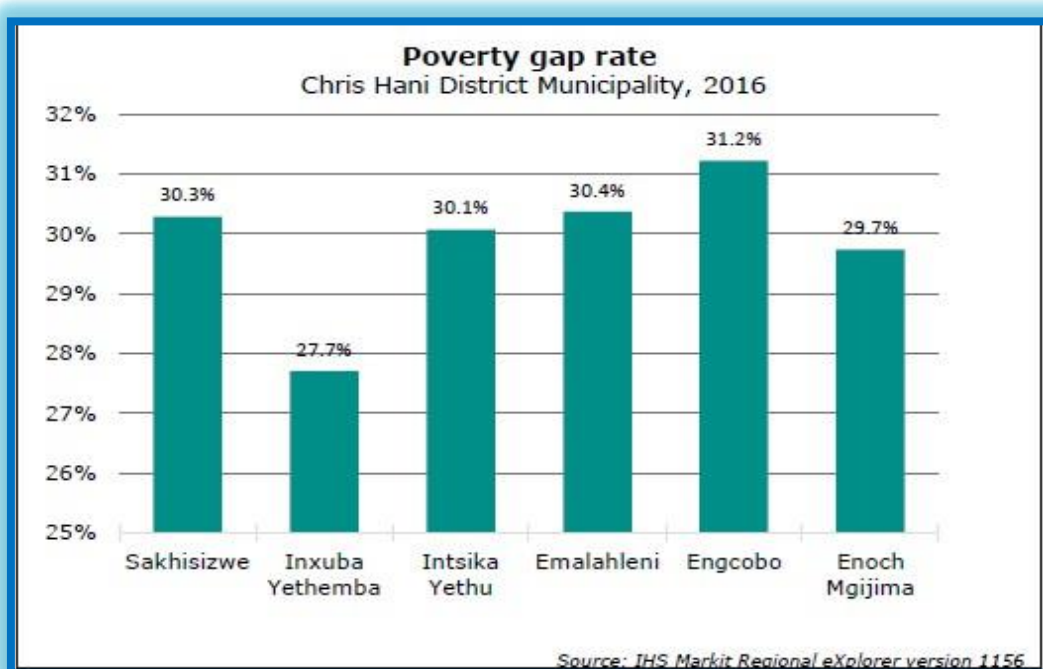


In 2016, the poverty gap rate was 30.3% and in 2006 the poverty gap rate was 32.5%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Sakhisizwe Local Municipality.



In terms of the poverty gap rate for each of the regions within the Chris Hani District Municipality, Engcobo local municipality had the highest poverty gap rate, with a rand value of 31.2%. The lowest poverty gap rate can be observed in the Inxuba Yethemba local municipality with a total of 27.7%.

CHART 2631-2. POVERTY GAP RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGIJIMA, 2016 [PERCENTAGE]

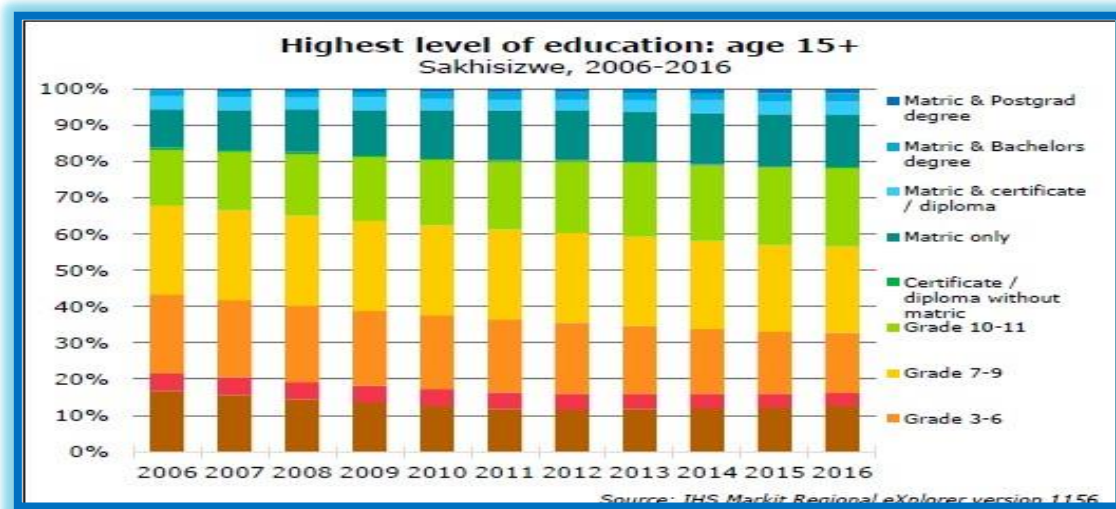


2.6.4 Education Levels

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).



CHART 264-1 HIGHEST LEVEL OF EDUCATION: AGE 15+ - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016



Within Sakhisizwe Local Municipality, the number of people without any schooling decreased from 2006 to 2016 with an average annual rate of -1.69%, while the number of people within the 'matric only' category, increased from 3,440 to 5,260. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 0.54%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 7.05%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

The number of people without any schooling in Sakhisizwe Local Municipality accounts for 8.55% of the number of people without schooling in the district municipality, 1.43% of the province and 0.20% of the national. In 2016, the number of people in Sakhisizwe Local Municipality with a matric only was 5,260 which is a share of 6.74% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 7.29% of the district municipality, 0.63% of the province and 0.05% of the national.

TABLE 264-1 HIGHEST LEVEL OF EDUCATION: AGE 15+ - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBERS]

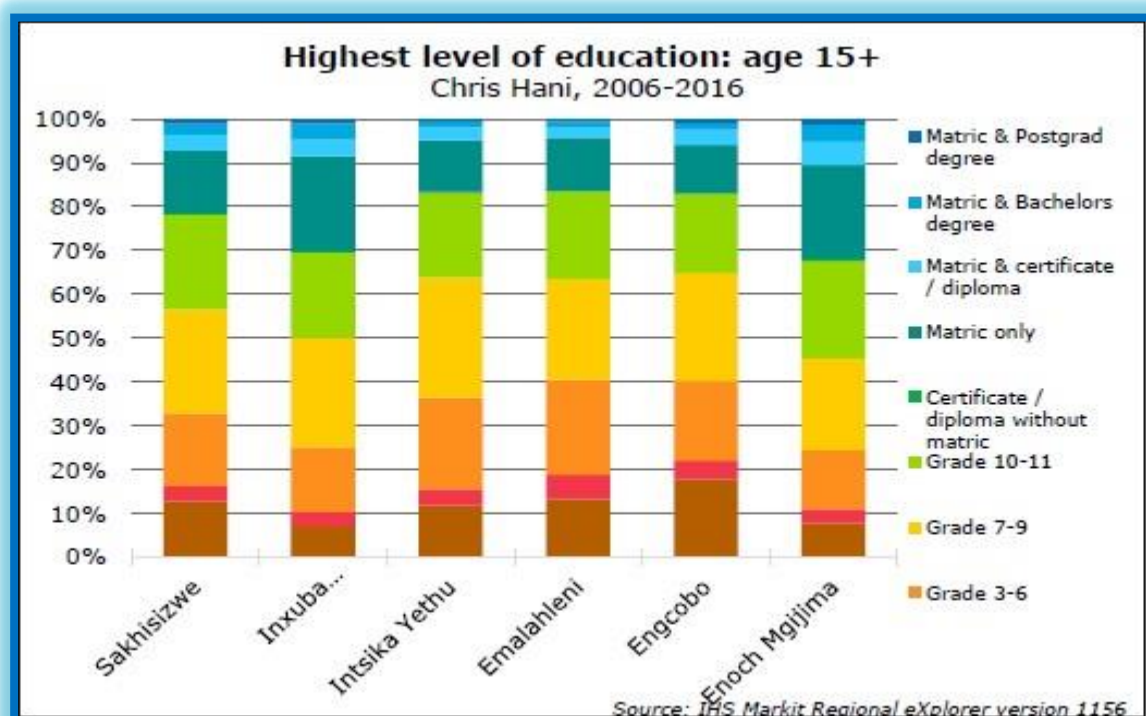
	Sakhisizwe	Chris Hani	Eastern Cape	National Total	Sakhisizwe as % of district municipality	Sakhisizwe as % of province	Sakhisizwe as % of national
No schooling	4,680	54,800	328,000	2,380,000	8.5%	1.43%	0.20%
Grade 0-2	1,310	18,800	123,000	712,000	7.0%	1.07%	0.18%
Grade 3-6	6,130	83,100	561,000	3,180,000	7.4%	1.09%	0.19%
Grade 7-9	8,770	115,000	934,000	6,030,000	7.6%	0.94%	0.15%
Grade 10-11	8,000	99,100	958,000	8,140,000	8.1%	0.83%	0.10%
Certificate / diploma without matric	150	1,860	14,500	176,000	8.1%	1.03%	0.09%
Matric only	5,260	78,000	841,000	10,100,000	6.7%	0.63%	0.05%



Matric certificate / diploma	1,350	19,300	184,000	1,960,000	7.0%	0.73%	0.07%
Matric Bachelors degree	869	11,900	137,000	1,600,000	7.3%	0.63%	0.05%
Matric Postgrad degree	444	4,660	50,700	693,000	9.5%	0.87%	0.06%

Source: IHS Markit Regional eXplorer version 1156

CHART 264-2 HIGHEST LEVEL OF EDUCATION: AGE 15+, SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOCO AND ENOCH MGIJIMA 2016 [PERCENTAGE]



2.6.5 Functional Literacy

For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty, (ECSECC:2017)

TABLE 265-1. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

	Illiterate	Literate	%
2006	16,447	25,619	60.9%
2007	15,714	26,327	62.6%



2008	15,054	26,802	64.0%
2009	14,490	27,239	65.3%
2010	14,069	27,667	66.3%
2011	13,647	28,144	67.3%
2012	13,389	28,431	68.0%
2013	13,183	28,793	68.6%
2014	13,028	29,199	69.1%
2015	12,901	29,633	69.7%
2016	12,931	29,978	69.9%
Average Annual growth			
2006-2016	-2.38%	1.58%	1.38%

Source: IHS Markit Regional eXplorer version 1156

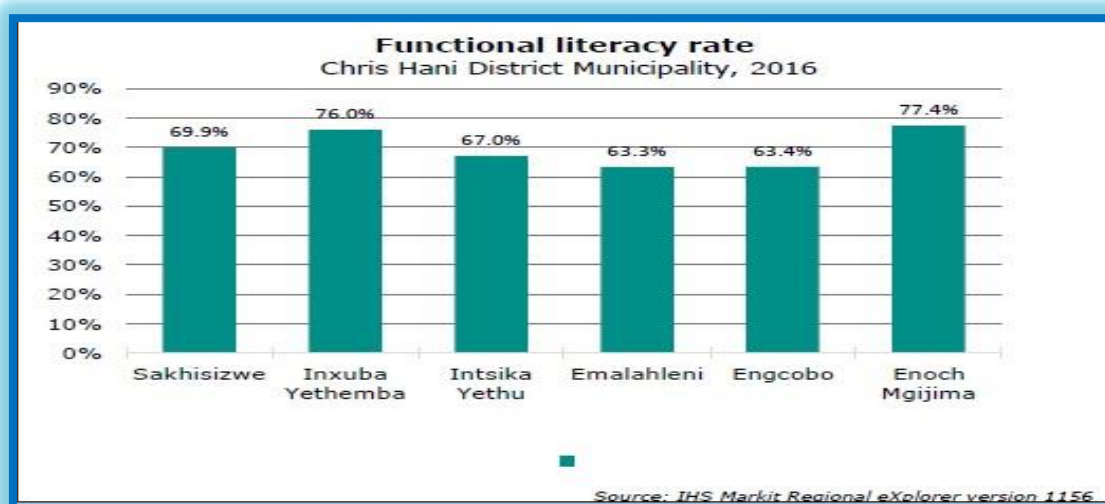
A total of 30 000 individuals in Sakhisizwe Local Municipality were considered functionally literate in 2016, while 12 900 people were considered to be illiterate. Expressed as a rate, this amounts to 69.86% of the population, which is an increase of 0.09 percentage points since 2006 (60.90%). The number of illiterate individuals decreased on average by -2.38% annually from 2006 to 2016, with the number of functional literate people increasing at 1.58% annually.

CHART 265-1 FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

Sakhisizwe Local Municipality's functional literacy rate of 69.86% in 2016 is lower than that of Chris Hani at 70.32%, and is lower than the province rate of 77.18%. When comparing to National Total as whole, which has a functional literacy rate of 83.31%, it can be seen that the functional literacy rate is higher than that of the Sakhisizwe Local Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 265-2. LITERACY RATE - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGJIMA, 2016 [PERCENTAGE]



In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima local municipality had the highest literacy rate, with a total of 77.4%. The lowest literacy rate can be observed in the Emalahleni local municipality with a total of 63.3%.

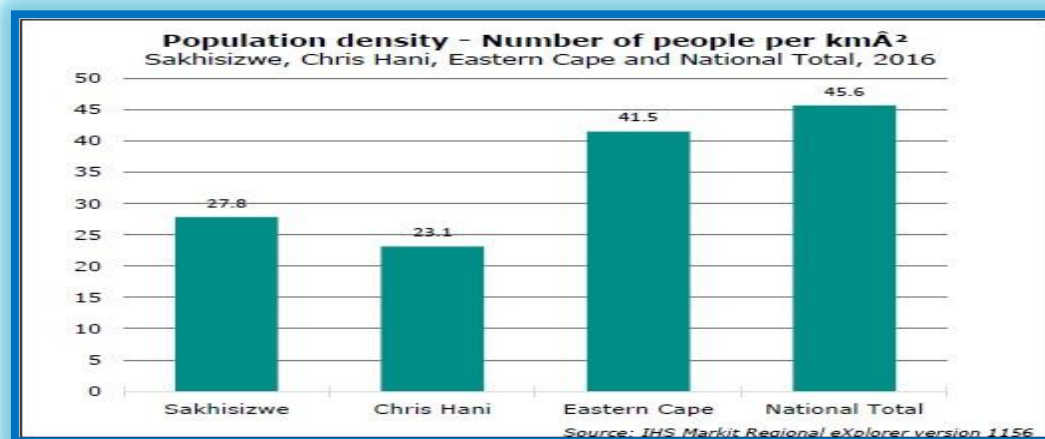


2.6.6 Population Density

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 266-1 POPULATION DENSITY - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016

[NUMBER OF PEOPLE PER



KM]

In 2016, with an average of 27.8 people per square kilometre, Sakhisizwe Local Municipality had a higher population density than Chris Hani (23.1 people per square kilometre). Compared to Eastern Cape Province (41.5 per square kilometre) it can be seen that there are less people living per square kilometre in Sakhisizwe Local Municipality than in Eastern Cape Province.

In 2016, Sakhisizwe Local Municipality had a population density of 27.8 per square kilometre and it ranked highest amongst its piers. The region with the highest population density per square kilometre was the Engcobo with a total population density of 64.4 per square kilometre per annum. In terms of growth, Sakhisizwe Local Municipality had an average annual growth in its population density of -0.24% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Inxuba Yethemba with an average annual growth rate of 0.99% per square kilometre. In 2016, the region with the lowest population density within Chris Hani District Municipality was Inxuba Yethemba with 5.98 people per square kilometre. The region with the lowest average annual growth rate was the Sakhisizwe with an average annual growth rate of -0.24% people per square kilometre over the period under discussion.

TABLE 266-1. POPULATION DENSITY - SAKHISIZWE AND THE REST OF CHRIS HANI, 2006-2016 [NUMBER OF PEOPLE PER KM]

	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2006	28.52	5.42	53.51	33.61	63.64	18.06
2007	28.19	5.45	53.14	33.67	63.25	18.12
2008	27.83	5.48	52.98	33.94	63.01	18.23
2009	27.56	5.52	52.95	34.29	62.94	18.39
2010	27.42	5.58	52.91	34.55	62.95	18.57
2011	27.38	5.64	52.82	34.71	62.99	18.75
2012	27.37	5.70	52.70	34.83	63.03	18.93
2013	27.43	5.77	52.72	35.02	63.22	19.13
2014	27.54	5.84	52.85	35.26	63.54	19.36
2015	27.68	5.91	53.05	35.53	63.93	19.59

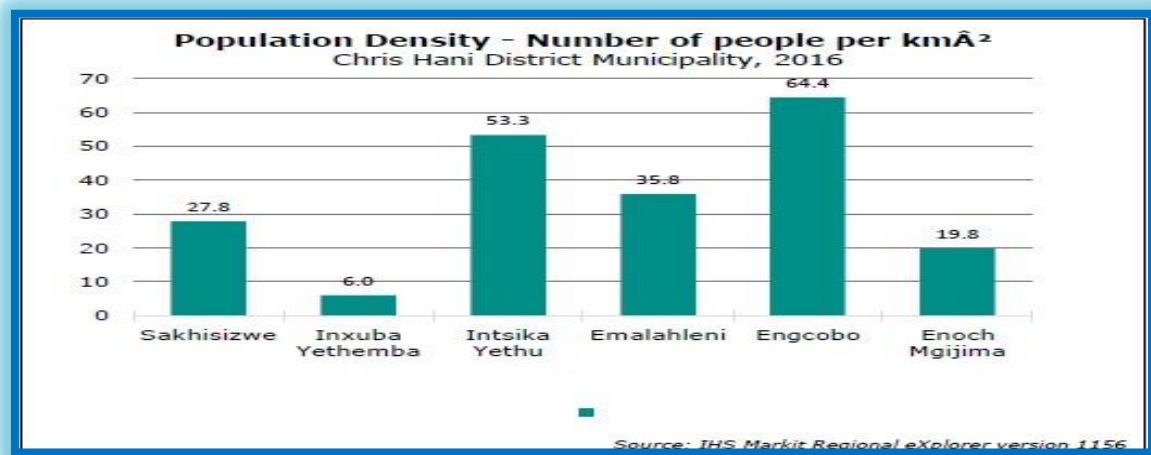


2016	27.84	5.98	53.31	35.83	64.39	19.82
Average Annual growth						
2006-2016	-0.24%	0.99%	-0.04%	0.64%	0.12%	0.94%

Source: IHS Markit Regional eXplorer version 1156

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

CHART 266-2. POPULATION DENSITY - SAKHISIZWE, INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO AND ENOCH MGJIMA, 2016 [PERCENTAGE]



In terms of the population density for each of the regions within the Chris Hani District Municipality, Sakhisizwe municipality is the third lowest 27,8 people per square kilometre.

2.7 CRIME LEVELS

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

2.7.1 IHS Composition Crime Index

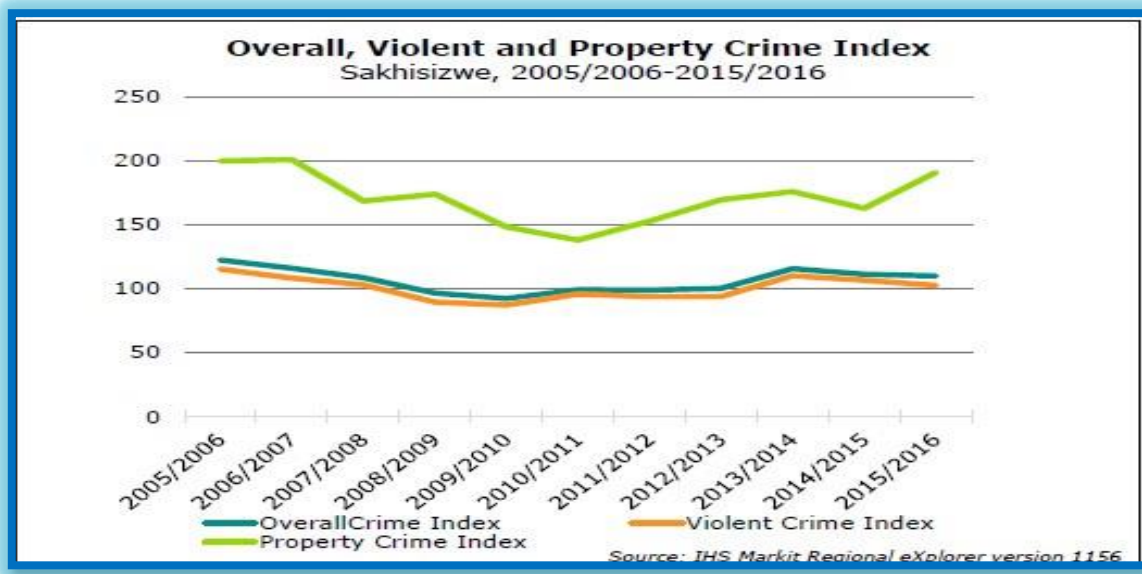
The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

2.7.1.1 Overall Crime Index

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions, (ECSECC:2017).

CHART 2711-1 IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE)

For the period 2005/2006 to 2015/2016 overall crime has decrease at an average annual rate of



1.07% within the Sakhisizwe Local Municipality. Violent crime decreased by 1.17% since 2005/2006, while property crimes decreased by 0.47% between the 2005/2006 and 2015/2016 financial years.

TABLE 2711-1. OVERALL CRIME INDEX - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2005/2006-2015/2016 [INDEX VALUE]

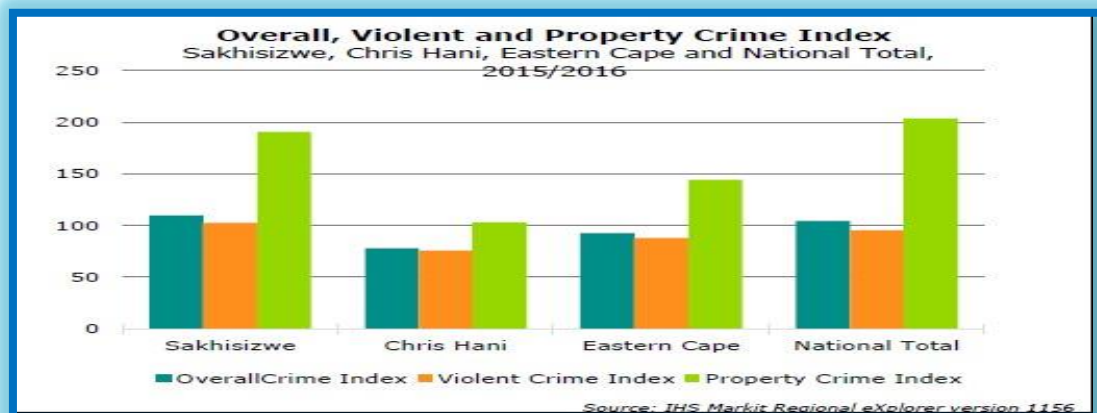
	Sakhisizwe	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Enoch Mgijima
2005/2006	122.19	236.15	71.29	83.63	78.21	121.37
2006/2007	115.88	213.29	64.70	77.63	62.47	119.23
2007/2008	108.37	199.31	67.55	80.14	60.58	95.84
2008/2009	96.36	183.36	65.65	70.56	60.61	98.18
2009/2010	92.11	181.67	71.67	75.44	68.52	100.39
2010/2011	99.13	156.83	74.27	70.40	72.26	94.23
2011/2012	98.65	149.95	74.25	69.52	66.45	97.77
2012/2013	100.01	156.07	73.94	77.20	68.12	90.13
2013/2014	115.39	142.05	67.19	75.00	42.97	86.37
2014/2015	111.05	143.61	66.78	72.21	55.38	85.26
2015/2016	109.75	142.93	59.34	73.55	50.44	82.76
Average Annual growth						
2005/2006-2015/2016	-1.07%	-4.90%	-1.82%	-1.28%	-4.29%	-3.76%

Source: IHS Markit Regional eXplorer version 1156

In 2015/2016, the Inxuba Yethemba local municipality has the highest overall crime rate of the sub-regions within the overall Chris Hani District Municipality with an index value of 143. Sakhisizwe local municipality has the second highest overall crime index at 110, with Enoch Mgijima local municipality having the third highest overall crime index of 82.8. It is clear that all the crime is decreasing overtime for all the regions within Chris Hani District Municipality. Intsika Yethu local municipality has the second lowest overall crime index of 59.3 and the Engcobo local municipality has the lowest overall crime rate of 50.4. It is clear that crime is decreasing overtime for all the regions within Chris Hani District Municipality. The region that decreased the most in overall crime since 2005/2006 was Inxuba Yethemba local municipality with an average annual decrease of 4.9% followed by Engcobo local municipality with an average annual decrease of 4.3%.



CHART 2711-2 IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015/2016 [INDEX VALUE]



From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

2.8 Households Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone. The next few sections offer an overview of the household infrastructure of the Sakhisizwe Local Municipality between 2016 and 2006.

2.8.1 Households by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.



Sakhisizwe Local Municipality had a total number of 2 160 (12.75% of total households) very formal dwelling units, a total of 8 960 (52.82% of total households) formal dwelling units and a total number of 621 (3.66% of total households) informal dwelling units.

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is Enoch Mgijima local municipality with 29 700 or a share of 63.19% of the total very formal dwelling units within Chris Hani. The region with the lowest number of very formal dwelling units is Engcobo local municipality with a total of 500 or a share of 1.06% of the total very formal dwelling units within Chris Hani.

CHART 281-1HOUSEHOLDS BY DWELLING UNIT TYPE - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]

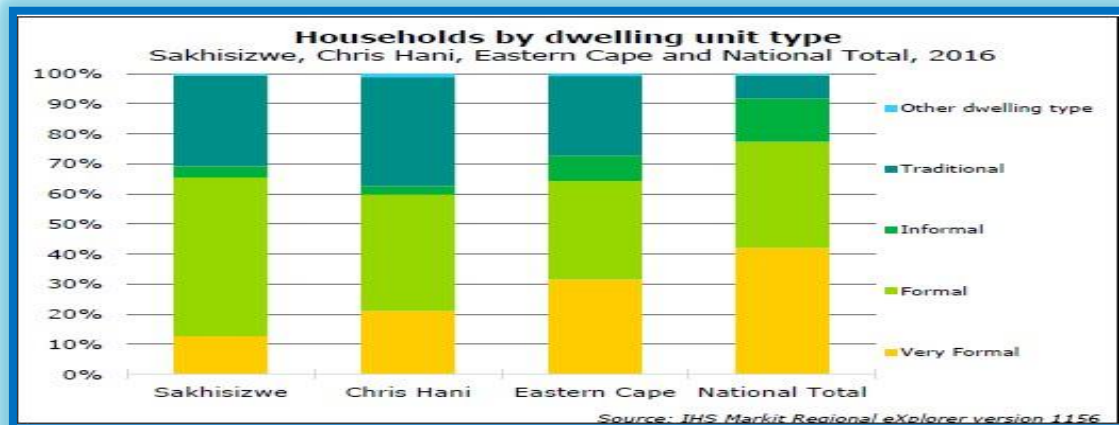


TABLE 281-1. HOUSEHOLDS BY DWELLING UNIT TYPE - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [NUMBER]

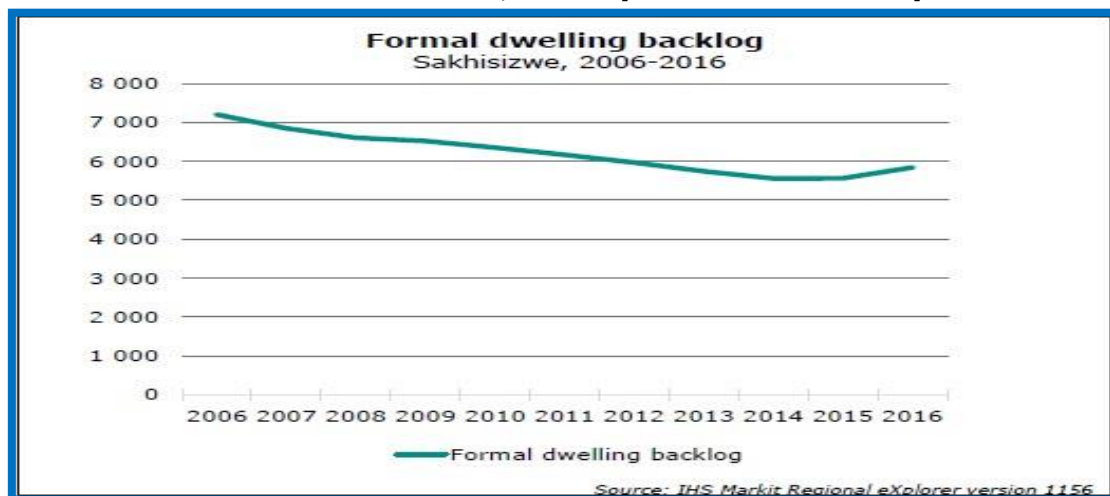
	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Sakhisizwe	2,160	8,960	621	5,120	99	17,000
Inxuba Yethemba	12,600	7,370	307	51	102	20,400
Intsika Yethu	609	12,400	496	27,400	483	41,400
Emalahleni	1,450	14,100	544	15,700	787	32,600
Engcobo	500	9,420	600	26,700	737	37,900
Enoch Mgijima	29,700	34,300	3,640	6,000	359	74,000
Total Chris Hani	47,011	86,587	6,203	80,959	2,567	223,327

Source: IHS Markit Regional eXplorer version 1156

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2006 the number of households not living in a formal dwelling were 7 200 within Sakhisizwe Local Municipality. From 2006 this number decreased annually at -2.08% to 5 840 in 2016.



CHART 281-2 FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS]

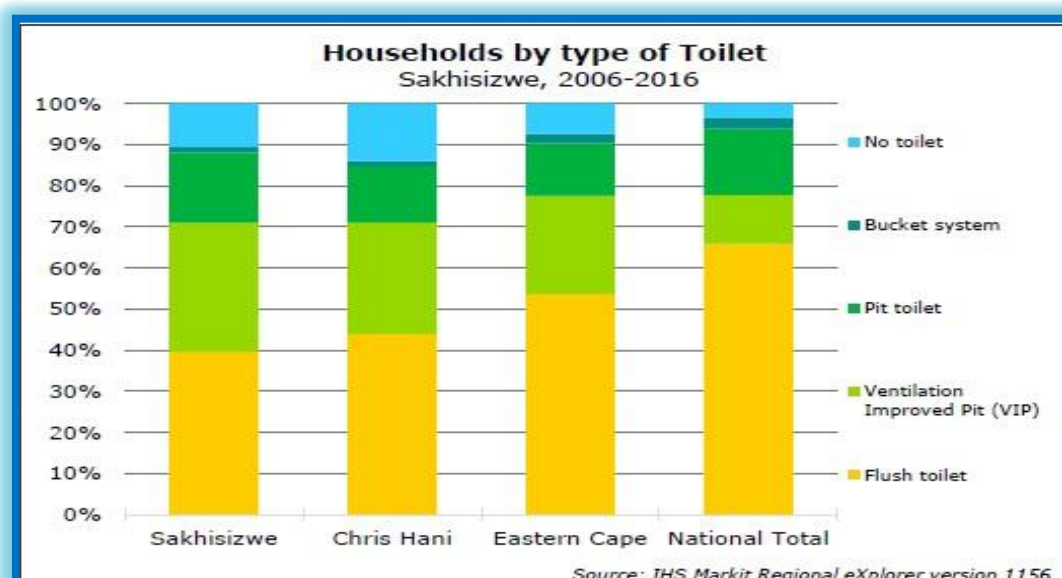


2.8.2 Household By Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- ☐ **No toilet** - No access to any of the toilet systems explained below.
- ☐ **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- ☐ **Pit toilet** - A top structure over a pit.
- ☐ **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- ☐ **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 282-1. HOUSEHOLDS BY TYPE OF SANITATION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]





Sakhisizwe Local Municipality had a total number of 6 490 flush toilets (39.63% of total households), 5 130 Ventilation Improved Pit (VIP) (31.34% of total households) and 2 800 (17.08%) of total households pit toilets.

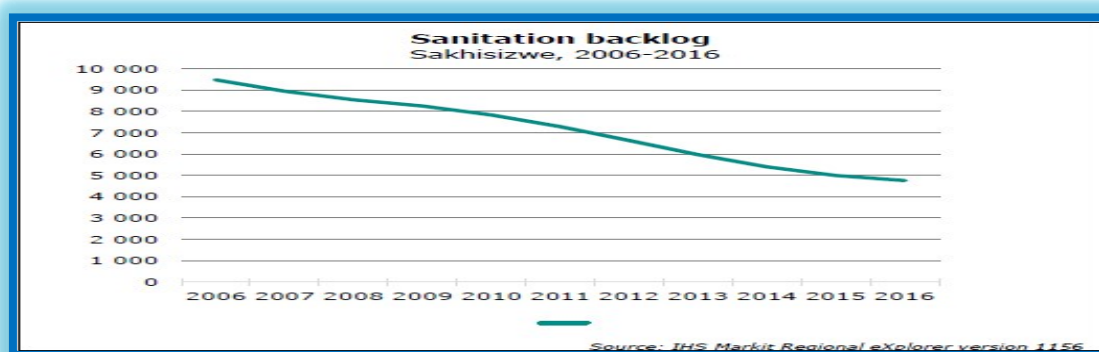
TABLE 282-1. HOUSEHOLDS BY TYPE OF SANITATION - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2016 [NUMBER]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Sakhisizwe	6,490	5,130	2,800	214	1,740	16,400
Inxuba Yethemba	19,500	162	184	114	756	20,700
Intsika Yethu	3,430	14,300	9,760	108	9,790	37,400
Emalahleni	7,270	12,000	5,410	633	5,620	30,900
Engcobo	5,810	13,500	6,500	112	9,140	35,100
Enoch Mgijima	51,900	13,100	4,660	1,730	2,990	74,400
Total Chris Hani	94,439	58,177	29,303	2,912	30,034	214,866

Source: IHS Markit Regional eXplorer version 1156

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima local municipality with 51 900 or a share of 54.99% of the flush toilets within Chris Hani. The region with the lowest number of flush toilets is Intsika Yethu local municipality with a total of 3 430 or a share of 3.64% of the total flush toilets within Chris Hani District Municipality.

CHART 282-2 SANITATION BACKLOG - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



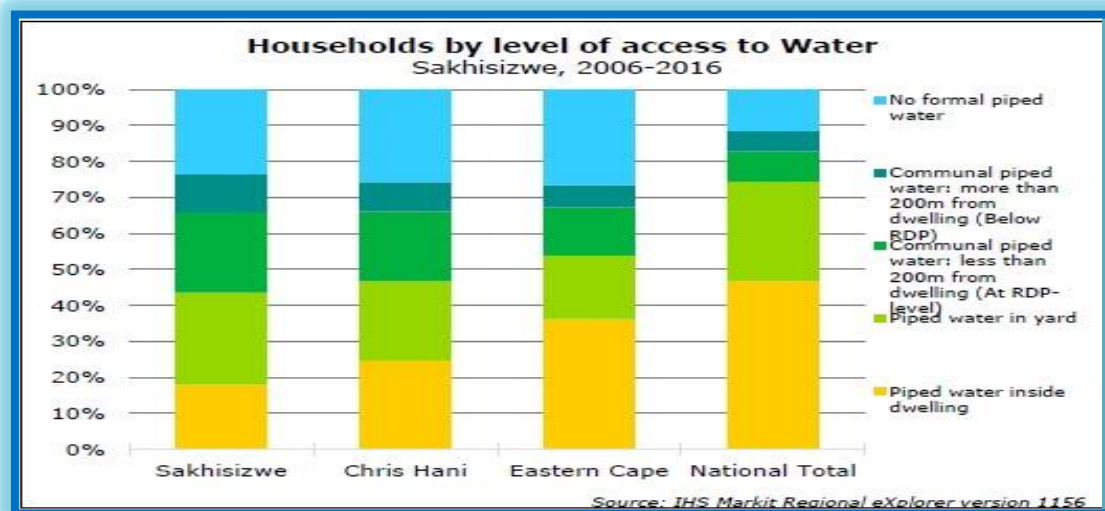
When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2006 the number of Households without any hygienic toilets in Sakhisizwe Local Municipality was 9 480, this decreased annually at a rate of -6.66% to 4 760 in 2016.

2.8.3 Households by Access to Water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.



CHART 282-3. HOUSEHOLDS BY TYPE OF WATER ACCESS - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Sakhisizwe Local Municipality had a total number of 3 040 (or 17.97%) households with piped water inside the dwelling, a total of 4 320 (25.58%) households had piped water inside the yard and a total number of 3 990 (23.59%) households had no formal piped water.

TABLE 282-2HOUSEHOLDS BY TYPE OF WATER ACCESS - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [NUMBER]

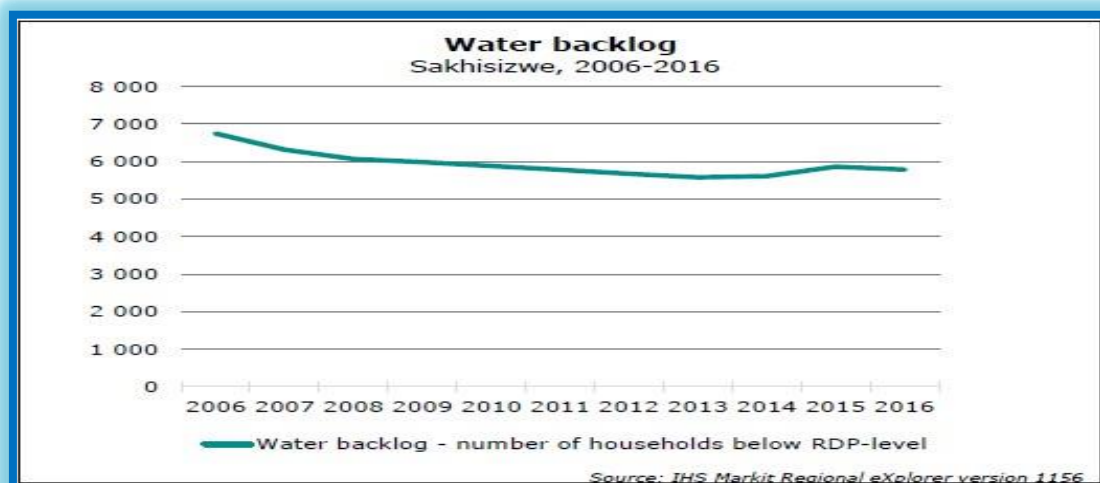
	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Sakhisizwe	3,040	4,320	3,760	1,800	3,990	16,900
Inxuba Yethemba	11,700	3,690	78	166	1,160	16,800
Intsika Yethu	4,320	8,900	11,400	5,280	16,500	46,400
Emalahleni	2,320	9,200	10,400	3,980	8,680	34,600
Engcobo	5,240	6,670	6,660	3,500	20,500	42,600
Enoch Mgijima	28,600	16,800	10,900	3,760	6,720	66,700
Total Chris Hani	55,192	49,539	43,215	18,494	57,567	224,007

Source: IHS Markit Regional eXplorer version 1156

The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima local municipality with 28 600 or a share of 51.76% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Emalahleni local municipality with a total of 2 320 or a share of 4.20% of the total households with piped water inside the dwelling within Chris Hani District Municipality.



CHART 282-4 WATER BACKLOG - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]

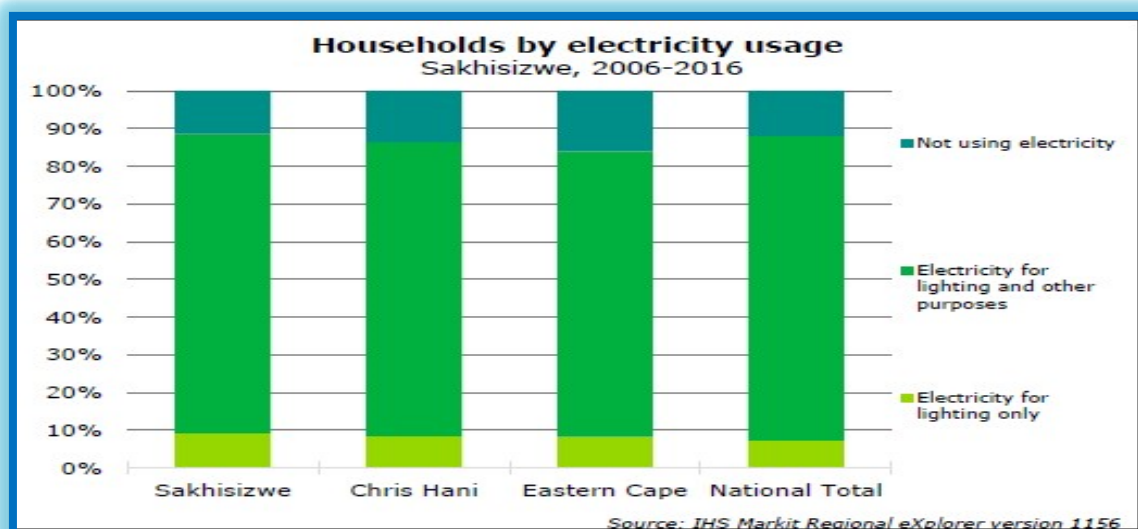


When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2006 the number of households below the RDP-level were 6 740 within Sakhisizwe Local Municipality, this decreased annually at -1.53% per annum to 5 780 in 2016.

2.8.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 284-1 HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Sakhisizwe Local Municipality had a total number of 1 610 (9.24%) households with electricity for lighting only, a total of 13 800 (79.31%) households had electricity for lighting and other purposes and a total number of 2 000 (11.45%) households did not use electricity.



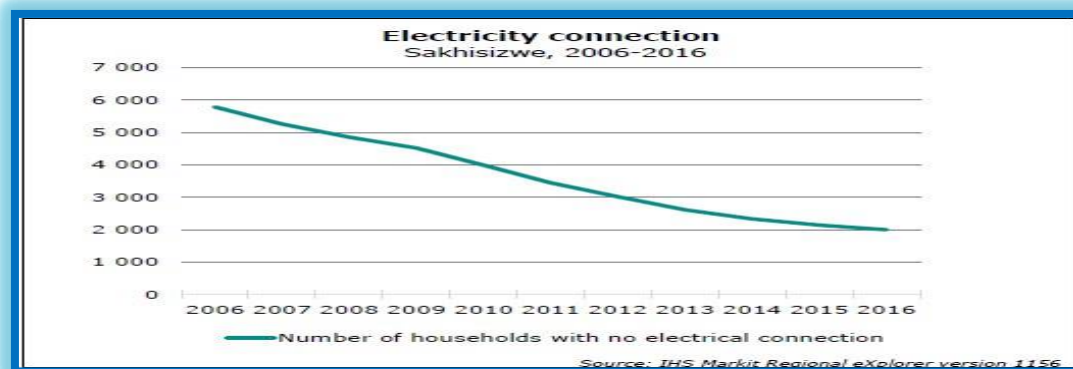
TABLE 284-1 HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [NUMBER]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Sakhisizwe	1,610	13,800	2,000	17,400
Inxuba Yethemba	499	20,300	637	21,400
Intsika Yethu	4,990	28,200	8,980	42,200
Emalahleni	3,380	26,400	4,060	33,900
Engcobo	5,280	22,800	9,890	38,000
Enoch Mgijima	3,650	67,500	5,510	76,700
Total Chris Hani	19,426	179,091	31,069	229,585

Source: IHS Markit Regional eXplorer version 1156

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima local municipality with 67 500 or a share of 37.70% of the households with electricity for lighting and other purposes within Chris Hani District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Sakhisizwe local municipality with a total of 13 800 or a share of 7.73% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

CHART 284-2. ELECTRICITY CONNECTION - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



When looking at the number of households with no electrical connection over time, it can be seen that in 2006 the households without an electrical connection in Sakhisizwe Local Municipality was 5 790, this decreased annually at -10.09% per annum to 2 000 in 2016.

2.8.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- ☐ Removed weekly by authority
- ☐ Removed less often than weekly by authority



- ☐ Removed by community members
- ☐ Personal removal / (own dump)
- ☐ No refuse removal

Sakhisizwe Local Municipality had a total number of 2 310 (15.00%) households which had their refuse removed weekly by the authority, a total of 128 (0.83%) households had their refuse removed less often than weekly by the authority and a total number of 9 300 (60.35%) households which had to remove their refuse personally (own dump).

CHART 54. HOUSEHOLDS BY REFUSE DISPOSAL - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]

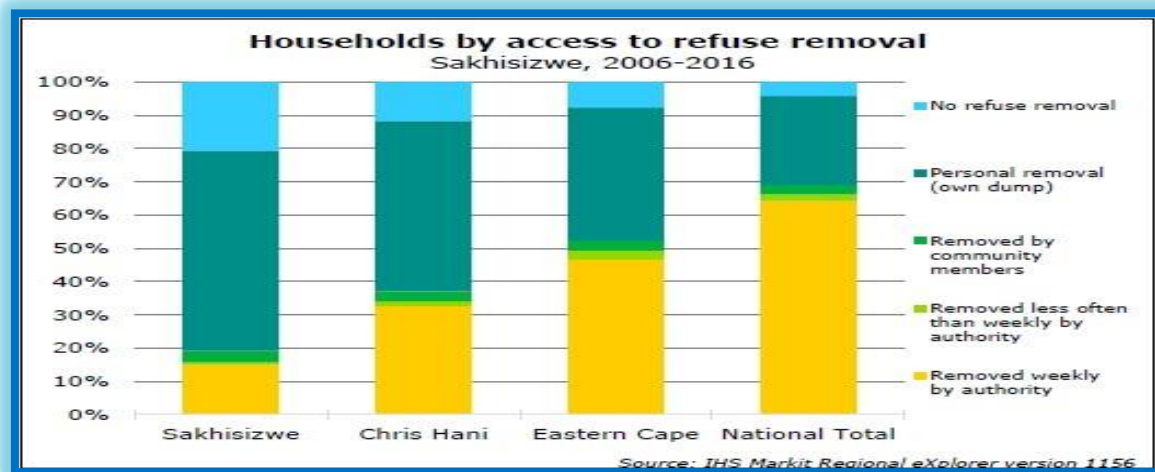


TABLE 285-1 HOUSEHOLDS BY REFUSE DISPOSAL - SAKHISIZWE AND THE REST OF CHRIS HANI, 2016 [NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Sakhisizwe	2,310	128	499	9,300	3,170	15,400
Inxuba Yethemba	17,500	1,180	310	2,040	252	21,300
Intsika Yethu	1,210	217	995	28,800	6,470	37,700
Emalahleni	4,740	144	1,030	19,700	4,570	30,200
Engcobo	858	674	704	25,400	6,890	34,600
Enoch Mgijima	42,500	775	2,940	23,400	3,260	72,800
Total Chris Hani	69,080	3,115	6,476	108,629	24,613	211,913

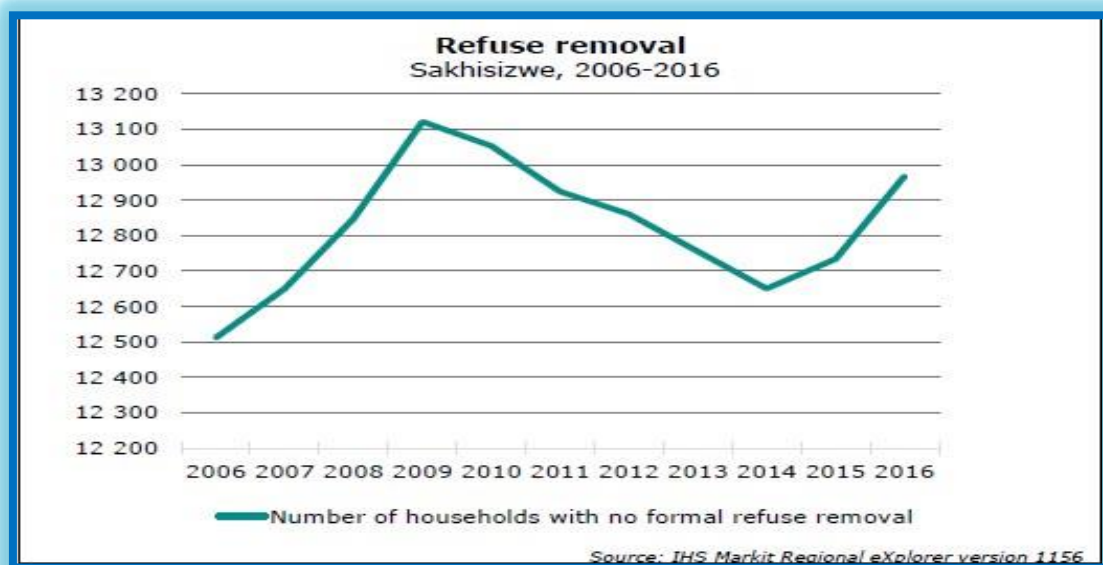
The region within Chris Hani with the highest number of households where the refuse is removed weekly by the authority is Enoch Mgijima local municipality with 42 500 or a share of 61.51% of the households where the refuse is removed weekly by the authority within Chris Hani. The region with the lowest number of households where the refuse is removed weekly by the authority is Engcobo local municipality with a total of 858 or a share of 1.24% of the total households where the refuse is removed weekly by the authority within the district municipality.



When looking at the number of households with no formal refuse removal, it can be seen that in 2006 the households with no formal refuse removal in Sakhisizwe Local Municipality was 12 500, this increased annually at 0.36% per annum to 13 000 in 2016.

The total number of households within Sakhisizwe Local Municipality increased at an average annual rate of 0.68% from 2006 to 2016, which is higher than the annual increase of 1.97% in the number of households in South Africa.

CHART 285-2 REFUSE REMOVAL - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



2.9 TOURISM

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

2.9.1 Trips By Purpose Trips

As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

- ☐ Leisure / Holiday
- ☐ Business
- ☐ Visits to friends and relatives
- ☐ Other (Medical, Religious, etc.)

TABLE 291-1NUMBER OF TRIPS BY PURPOSE OF TRIPS - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2006	2,850	695	29,700	1,970	35,200

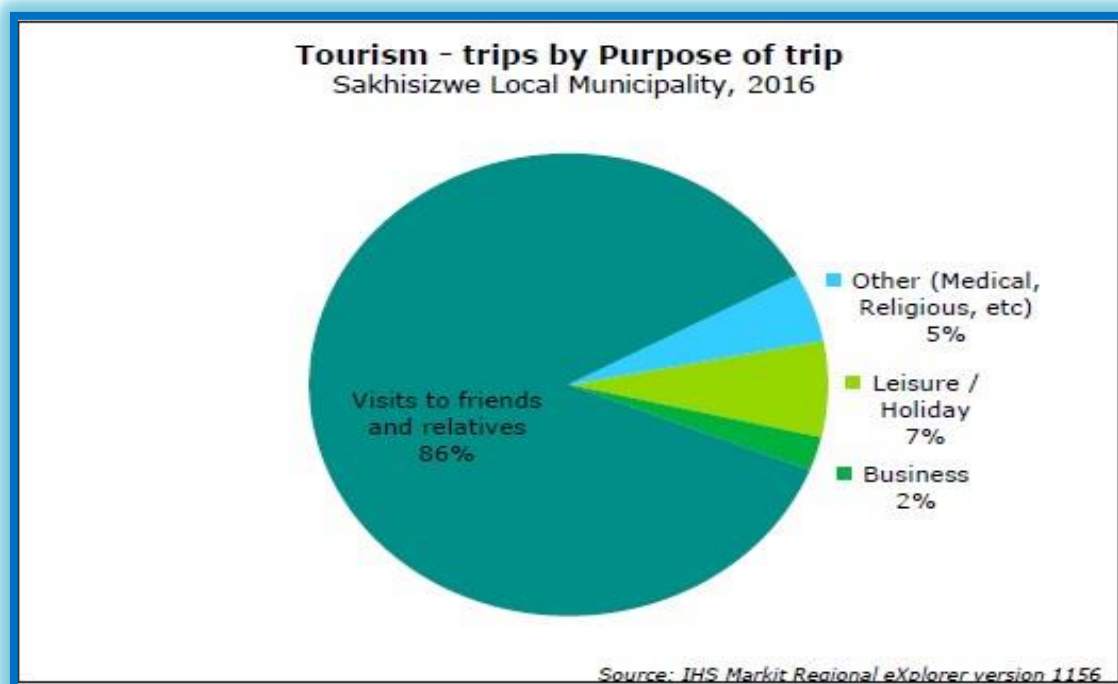


2007	2,950	706	29,500	1,970	35,100
2008	3,000	735	29,100	2,140	35,000
2009	2,870	727	28,500	2,040	34,200
2010	2,890	762	28,500	1,970	34,100
2011	2,820	789	29,800	1,930	35,300
2012	2,750	803	30,000	1,880	35,500
2013	2,670	759	31,900	1,790	37,100
2014	2,380	746	28,600	1,630	33,400
2015	2,150	708	26,900	1,470	31,200
2016	1,900	660	24,300	1,350	28,200
Average Annual growth					
2006-2016	-4.01%	-0.50%	-1.99%	-3.72%	-2.20%

Source: IHS Markit Regional eXplorer version 1156

In Sakhisizwe Local Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2006 (695) to 2016 (660) at -0.50%. Visits to friends and relatives recorded the highest number of visits in 2016 at 24 300, with an average annual growth rate of 1.99%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -4.01% from 2006 (2 850) to 2016 (1 900).

CHART 291-1 TRIPS BY PURPOSE OF TRIP - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



The Visits to friends and relatives at 86.15% has largest share the total tourism within Sakhisizwe Local Municipality. Leisure / Holiday tourism had the second highest share at 6.73%, followed by Other (Medical, Religious, etc) tourism at 4.78% and the Business tourism with the smallest share of 2.34% of the total tourism within Sakhisizwe Local Municipality.



2.9.2 Origin of Tourist

In the following table, the number of tourists that visited Sakhisizwe Local Municipality from both domestic origins, as well as those coming from international places, are listed.

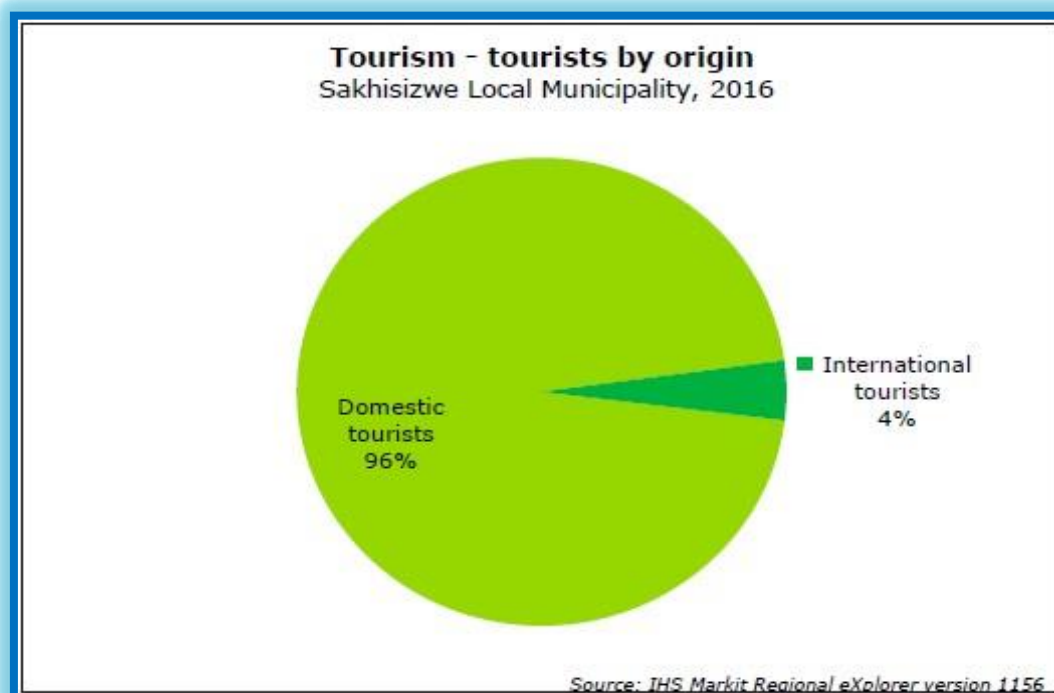
TABLE 292-1 TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	33,900	1,250	35,200
2007	34,000	1,170	35,100
2008	33,900	1,080	35,000
2009	33,200	990	34,200
2010	33,100	999	34,100
2011	34,400	920	35,300
2012	34,500	960	35,500
2013	36,100	976	37,100
2014	32,300	1,050	33,400
2015	30,200	990	31,200
2016	27,000	1,150	28,200
Average Annual growth			
2006-2016	-2.25%	-0.80%	-2.20%

Source: IHS Markit Regional eXplorer version 1156

The number of trips by tourists visiting Sakhisizwe Local Municipality from other regions in South Africa has decreased at an average annual rate of -2.25% from 2006 (33 900) to 2016 (27 000). The tourists visiting from other countries decreased at an average annual growth rate of -0.80% (from 1 250 in 2006 to 1 150). International tourists constitute 4.09% of the total number of trips, with domestic tourism representing the balance of 95.91%.

CHART 292-1 TOURISTS BY ORIGIN - SAKHISIZWE LOCAL MUNICIPALITY, 2016 [PERCENTAGE]





2.9.2.1 Bednights By Origin of Tourist

A bed night is the tourism industry measurement of one night away from home on a single person trip. The following is a summary of the number of bed nights spent by domestic and international tourist within Sakhisizwe Local Municipality between 2006 and 2016.

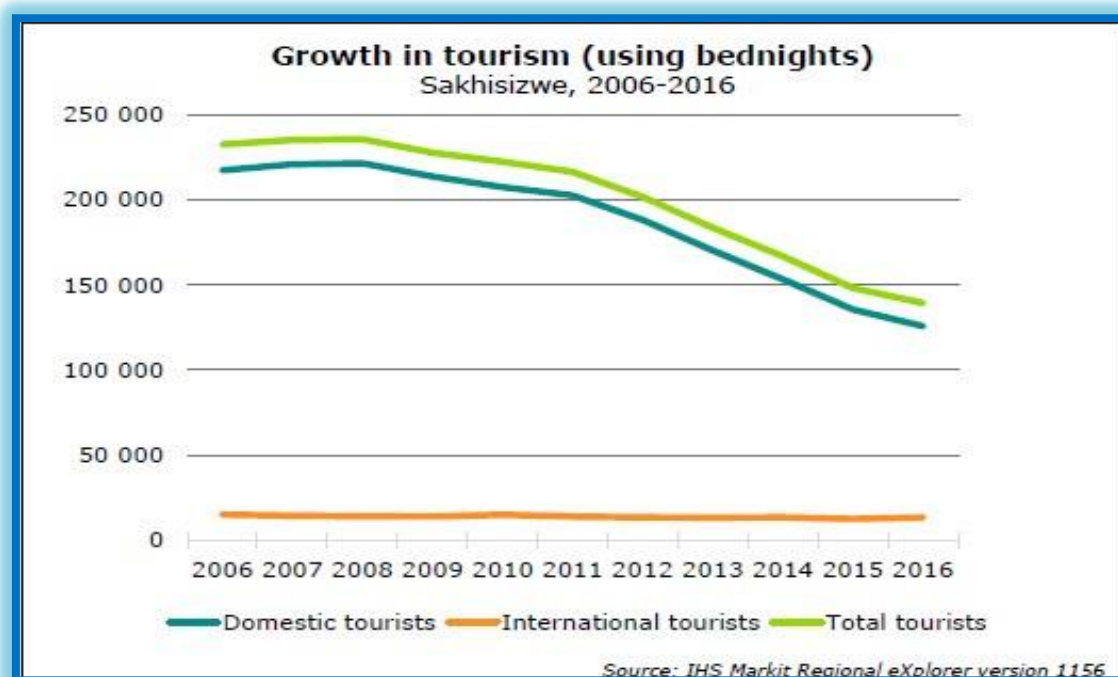
TABLE 2921-1. BEDNIGHTS BY ORIGIN OF TOURIST - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	217,000	15,100	232,000
2007	221,000	14,400	235,000
2008	221,000	14,100	235,000
2009	214,000	13,900	228,000
2010	207,000	15,000	222,000
2011	202,000	13,900	216,000
2012	188,000	13,500	202,000
2013	170,000	13,300	183,000
2014	153,000	13,500	167,000
2015	135,000	12,500	148,000
2016	126,000	13,500	139,000
Average Annual growth			
2006-2016	-5.32%	-1.11%	-4.99%

Source: IHS Markit Regional eXplorer version 1156

From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -5.32%, while in the same period the international tourists had an average annual decrease of -1.11%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -4.99% from 232 000 in 2006 to 139 000 in 2016.

CHART 292-2 GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - SAKHISIZWE LOCAL MUNICIPALITY, 2006-2016 [NUMBER]





2.9.3 Tourism Spending

In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account. It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 293-1 TOTAL TOURISM SPENDING - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	0.1	1.0	9.3	126.9
2007	0.1	1.0	9.9	138.7
2008	0.1	1.1	10.9	152.5
2009	0.1	1.1	10.8	153.4
2010	0.1	1.1	11.5	167.2
2011	0.1	1.1	11.4	174.6
2012	0.1	1.2	12.1	199.9
2013	0.1	1.2	12.4	218.3
2014	0.1	1.2	12.6	238.7
2015	0.1	1.2	12.0	238.1
2016	0.1	1.2	12.0	266.9
Average Annual growth				
2006-2016	3.45%	1.44%	2.62%	7.72%

Source: IHS Markit Regional eXplorer version 1156

Sakhisizwe Local Municipality had a total tourism spending of R 70.7 million in 2016 with an average annual growth rate of 3.5% since 2006 (R 50.3 million). Chris Hani District Municipality had a total tourism spending of R 1.16 billion in 2016 and an average annual growth rate of 1.4% over the period. Total spending in Eastern Cape Province increased from R 9.3 billion in 2006 to R 12 billion in 2016 at an average annual rate of 2.6%. South Africa as whole had an average annual rate of 7.7% and increased from R 127 billion in 2006 to R 267 billion in 2016.

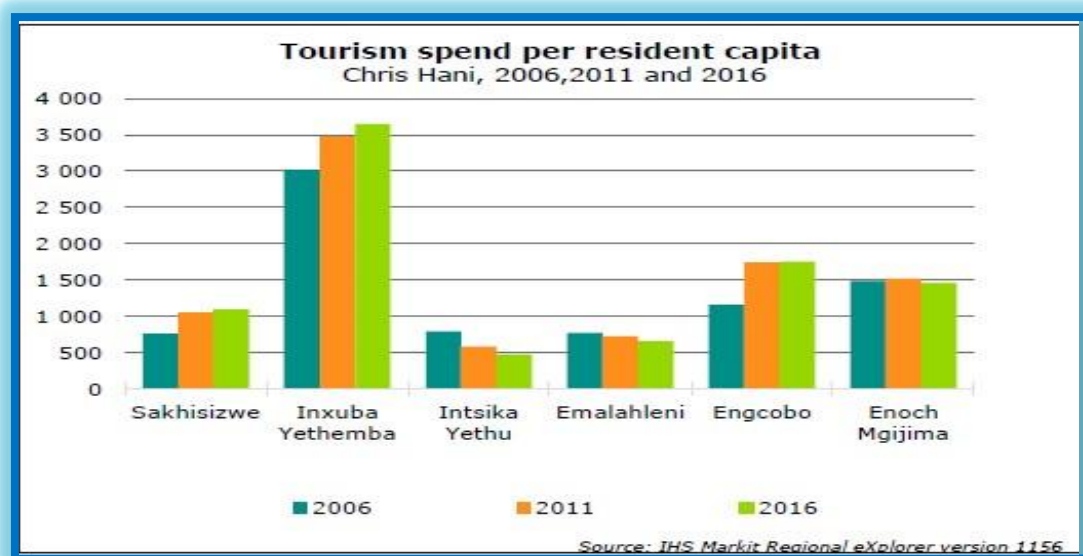
2.9.3.1 Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

In 2016, Sakhisizwe Local Municipality had a tourism spend per capita of R 1,100 and an average annual growth rate of 3.70%, Sakhisizwe Local Municipality ranked fourth amongst all the regions within Chris Hani in terms of tourism spend per capita. The region within Chris Hani District Municipality that ranked first in terms of tourism spend per capita is Inxuba Yethemba local municipality with a total per capita spending of R 3,650 which reflects an average annual increase of 1.92% from 2006. The local municipality that ranked lowest in terms of tourism spend per capita is Intsika Yethu with a total of R 476 which reflects a decrease at an average annual rate of 4.97% from 2006.



CHART 2931-1 TOURISM SPEND PER RESIDENT CAPITA - SAKHISIZWE LOCAL MUNICIPALITY AND THE REST OF CHRIS HANI, 2006,2011 AND 2016 [R THOUSANDS]



2.9.3.2 Tourism Spend as a Share of GDP

This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 2932-1. TOTAL SPENDING AS % SHARE OF GDP - SAKHISIZWE, CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

	Sakhisizwe	Chris Hani	Eastern Cape	National Total
2006	7.0%	9.2%	6.5%	6.9%
2007	6.1%	7.9%	5.9%	6.6%
2008	6.5%	8.3%	6.2%	6.4%
2009	5.8%	7.2%	5.6%	6.1%
2010	5.7%	6.8%	5.4%	6.1%
2011	5.5%	6.2%	5.0%	5.8%
2012	5.4%	6.0%	4.8%	6.1%
2013	5.3%	5.7%	4.5%	6.2%
2014	5.1%	5.4%	4.3%	6.3%
2015	4.5%	4.7%	3.8%	5.9%
2016	4.1%	4.3%	3.6%	6.2%

Source: IHS Markit Regional eXplorer version 1156

In Sakhisizwe Local Municipality the tourism spending as a percentage of GDP in 2016 was 4.11%. Tourism spending as a percentage of GDP for 2016 was 4.33% in Chris Hani District Municipality, 3.56% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.15%.



CHAPTER 3: NATIONAL KEY PERFORMANCE AREA ANALYSIS

3. SERVICE DELIVERY PROFILE

Service delivery is the top ranked priority for the current council. A need was identified in our previous IDP and 2017-2022 STRATEGIC PLAN to develop a comprehensive infrastructure master plan which will give framework for long term planning in terms of:

- ☐ Infrastructure Maintenance Plans
- ☐ Infrastructure Expansion plans
- ☐ Infrastructure Funding mechanisms
- ☐ Infrastructure Operational and Institutional Management plans

While the primary focus has mainly been on maintaining and expanding infrastructure in key areas linked to assigned powers and functions as an approach, the council and administration continue to engage strategic stakeholders like the District Municipality and other spheres of government with mandates on key infrastructure areas where there are challenges within the Sakhisizwe Municipality.

The aim of the engagement is to ensure signing of relevant service level agreements (SLAs) that will enable Sakhisizwe to deliver services in all our areas of need while not compromising our financial viability and management requirements.

As a developmental local government, we are expected to ensure sustainable delivery of services through our direct channels and in collaboration with and by facilitation of contributions from various other stakeholders and development agencies operating in our jurisdiction.

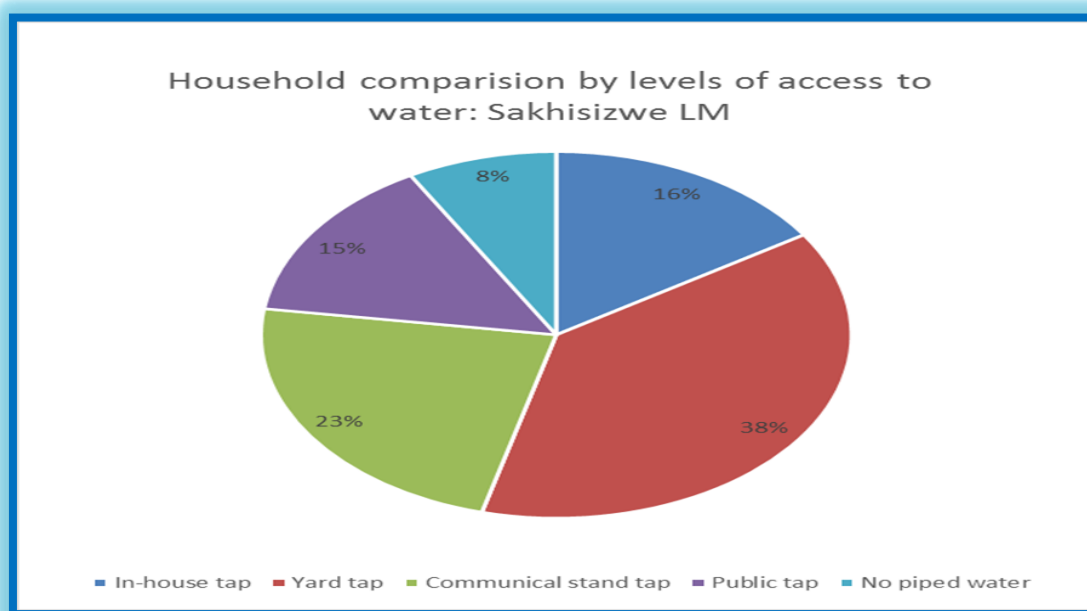
The section below gives an overview of the state of service delivery by looking at household access to basic and non-basic services that people often expect from government.

3.1.1 Water and Sanitation

Provision and governance of water and sanitation services in all our areas is a competence of the district municipality. We only play a facilitating role as Sakhisizwe municipality.

The figure below gives a comparison of household access to different levels of service for water. It draws its analysis from the community survey of 2016.

Chart 3.1.1-1: Households Access Water





The backlog for basic water supply is 46% which is a slight improvement over 48% in 2011. The CHDM has planned to fund the following projects within Sakhisizwe LM from its grant allocations of 2018-2020.

3.1.1.1 WATER SERVICE INFRASTRUCTURE GRANT FUNDING

Project	2017/18	2018/19	2019/20
Cluster 4 Water Backlog	—		R 14,000,000
Cluster 4 (Lower Langanci; Upper Indwana; Upper Mnxe) -Phase 2	R 96,000	R 8,316,046	R 450,000
Khowa: Polar Park Water Services - Phase 4	R6,000,000	R 1,500,000	—
Gubenxa and Maxongo's Hoek Interim Water Supply	—	R 5,000,000	R 7,500,000
Refurbishment of Cala Bulk Water		R 2,500,000	R 2,500,000
Water Conservation Management Khowa Old Location	—	R 2,500,000	R 2,500,000
TOTAL	R 6,096,000	R 19,816,046	R 26,950,000

3.1.1.2 MUNICIPAL INFRASTRUCTURE GRANT FUNDING

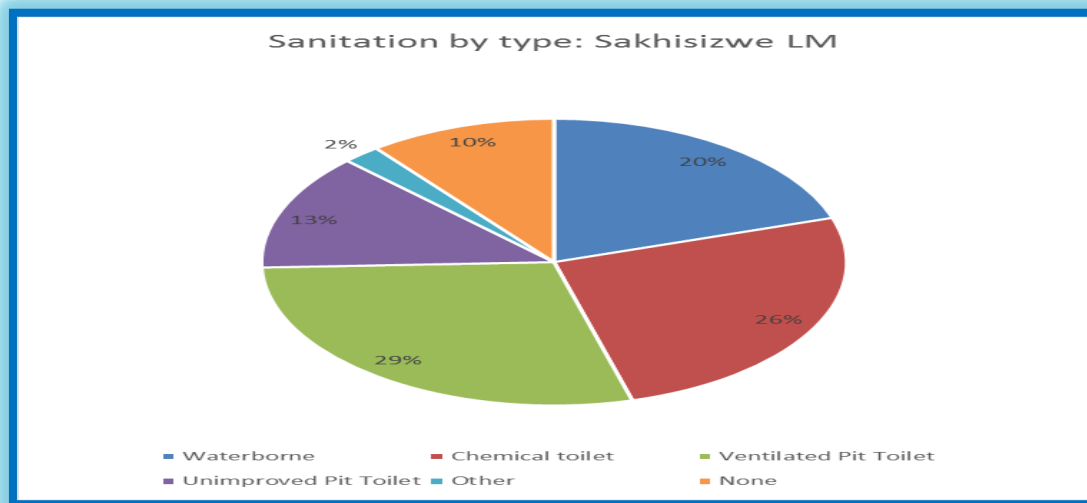
Project	2017/18	2018/19	2019/20
Upgrading of the Khowa Waste Water Treatment Works	R 3,578,265	-	-
Cluster 4 Water backlog (Wards 6,7,& 4)	-	R 2,908,889	-
Mthingwevu Water Supply Scheme	R 16,368,745	-	R 1,937,000
Upper Lufutha Interim Water Supply	R 5,166,980	R 12,117,825	-
Upper Lufutha Ext (Mbodlana) Interim Water Supply	R 5,000,000	-	-
TOTAL	R 30,113,990	R 15,026,714	R 1,937,000

Sanitation backlogs remain high (51%) so much so that our municipality will not be able to meet the goal of wiping our backlog for household access to basic level of sanitation (VIP toilet).

The figure below gives a comparison of household access to different levels of service for sanitation. It draws its analysis from the Community survey of 2016.



Chart 3.1.1-1 Showing Sanitation By Type



It shows that 13% of households are served with below RDP level VIPs and another 26% still uses chemical toilets while 10% received no access to the service at all.

In order to reduce the above backlogs, the CHDM has allocated the following budget for water and sanitation projects in SLM from its MIG allocation.



3.1.1.3 MUNICIPAL INFRASTRUCTURE GRANT FUNDING

Project	2017/18	2018/19	2019/20
Construction of Pump Station with Bulk Collector Sewers - Phase 2	-	R14,277,058	R15,000,000
Region 3 Sanitation Backlog	-	R9,000,000	-
Cluster 5 Sanitation (Wards 2,3,4,7 and Taleni)	R500,000	-	R8,688,325
Upgrading of Cala Wastewater Treatment Works - Phase 1	R4,600,000	-	-
Upgrading of Cala Bulk Gravity Collector Sewers - Phase 2	R890,000	-	-
Total	R5,990,000	R23,277,058	R23,688,325

3.1.2 Telecommunication

Telkom is the main provider of the landline telephone services in the Sakhisizwe area. Cellular network coverage is patchy due to the mountainous terrain, as is television and radio reception. Business telecommunication services and facilities are unreliable due to inadequate infrastructure for broadband.

General communication is largely through the mobile and fixed telecoms. The last few years have seen a rise in privately operated mobile public phone services. The municipality has identified operational projects aimed at improving plans for network signal and broadband infrastructure improvement through partnership collaborations with established operators in the ICT sector.

3.1.3 Roads, Bridges and Storm water

Functional road infrastructure is critical to economic development of an area. Sakhisizwe municipality has a direct responsibility for construction and maintenance of its access road network while other roads are the responsibility of other spheres of government including the district municipality, province and national department of roads and transport.

The majority of our tarred road network in the Sakhisizwe municipality are provincial and district roads and few access roads. There is no classified national road passing our municipality even though some commitments were pledged by SANRAL to assist with the repair and rehabilitation work on provincial roads R56 linking Khowa to Barkly East and Aliwal North as well as the R56 linking Khowa to Indwe.

The rest of the municipality's road network is gravel. It is often characterised by poor storm water drainage designs which often put a lot of pressure on the visual road index and surface durability especially during rainy seasons. There is over 300km of this type of road network which needs regular maintenance and upgrading.

In order to inform proper operational management, maintenance and construction of new roads a **Roads Management & Maintenance Master Plan** is being considered. This plan will also cover aspects relating to the design, planning, implementation and maintenance of roads, transport, bridges and storm water infrastructure.

The main challenge to smooth delivery of roads and associated infrastructure is often lack of adequate funding and availability of engineering skills in the municipality. We depend exclusively on the limited MIG budget which is insufficient to cater for all our requirements.



Budgets for roads, transport and related activities shall be ring-fenced to our **operational and capital budgets** for infrastructure as may be approved for implementation through our PMU.

The municipality has reviewed an **EPWP policy** which is used to guide interventions for infrastructure maintenance and construction through labour intensive methods. These methods are also earmarked to contribute to short term job opportunities while delivering necessary infrastructure support.

Inputs from consultative representative forum discussions identified a number of strategic organizations which the municipality must establish links and partnerships for raising necessary capacity (funds, equipment and skill) to address our major challenges in the delivery of sustainable roads, storm water and bridge infrastructure. These include departments Public Works, Roads & Transport, Chris Hani District Municipality and Human Settlements as well as state owned enterprises like SANRAL and MISA.

It is noted with disappointment therefore that the EC department of roads and transport has not made any allocation to spend in the Sakhisizwe municipality for the remaining years in its MTREF budgeting.

The focus for the next year will be on strengthening the chosen primary and secondary nodal development (NB: Sakhisizwe is part of the recently demarcated Queenstown Provincial Development Node) as well as enforce spatial linkages identified in terms of our **spatial development framework (SDF)**. We hope that through this strategy we shall be able to integrate our space economy better. Thus able to achieve a functional road network capable of:

- ☐ Facilitating effective movement of people and goods
- ☐ Linking of places of living to social amenities, commerce and production areas
- ☐ Facilitating aesthetic improvement in our public space and CBDs
- ☐ Disposing of excess rain water to prevent unnecessary damage to existing infrastructure and properties

3.1.3.1 Roads Management & Storm water Maintenance Plan

Sakhisizwe LM has a roads and storm water management and maintenance plan reviewed in 2015/16. The plan is appended in this IDP document In terms of this plan, the municipality is intending to undertake the following maintenance and repair work.

Existing machinery in SLM

No.	Plant & Equipment	No.	Projected current costs
1.	Tipper Trucks	2	Available
2.	Grader	2	Available
3.	Excavator	1	Available
4.	TLB	2	Available
5.	Water Cart	1	Available
6.	Grid roller	1	Available
7.	Low-bed Truck	1	Available
8.	Dozer	1	Available



3.1.3.2 PROGRAMME FOR ROAD MAINTENANCE

ACTIVITY	INSPECTION TYPE	URBAN/ TOWNSHIP ACCESS/ STREETS ROADS	RURAL /INTERNAL ROADS	ACCESS	BRIDGES/MINOR STORM-WATER STRUCTURES/VDRAINS/ CULVERTS (Urban roads)	BRIDGES /MINOR STORM- WATER STRUCTURE S/V-DRAINS/ CULVERTS (Rural roads)	TRACKS /OTHER
Inspections Regular inspections of the road asset to be undertaken by a suitably qualified and experienced staff to determine condition, compliance with maintenance standards and risk	Condition Assessment Inspections	As per the Asset Management Policy					
	Condition & Risk inspections	Once in twelve months/ After heavy rains	Once in twelve months & on receipt of complaint (Refer to detailed programme)		Once in twelve months & on receipt of complaint	Once in twelve months & on receipt of complaint	On receipt of complaint
	Routine Maintenance Inspections	As per the current Maintenance Program					
	Responsive inspections	Within 48 working hours on receipt of report or complaint					



3.1.3.3 Planned schedule of maintenance for storm water

SYSTEM CATEGORIES	DESCRIPTION	INSPECTION & MAINTENANCE TYPE	FREQUENCY
Manholes	A manhole is a structure that allows access into a closed conduit. Manholes can be located in the road-way and greenbelts areas of a development.	Inspect for damage or missing block and mortar	Annually/after heavy rains
(Catch-pits)		Inspect for debris within the structure (Weekly to respond for hawker management)	
		Typical cleaning	
		Problem areas as determined by the Municipality shall be cleaned	
Closed Conduit		Typical cleaning closed drains and stormwater pipes ranging from 300mm to 1200mm in diameter.	
	A closed conveyance designed to carry storm water runoff, which includes culvert, closed drains and pipes.	Culvert cleaning	Annually & in response to blockages/ after heavy rains
		Video inspections (Future capital plans)	
		Problem areas as determined by the Municipality shall be cleaned	
Basin Outlet Structures		Check inlets and outlets for clogging	
	Outlet structures are used to regulate storm water discharge from detention	Clean inlets and outlets as necessary.	Annually & when necessary/after heavy rains



	ponds & basins into receiving waterways or an offsite storm sewer system.	Remove sediment if accumulation reaches 1m & above or if re-suspension is observed.	
		Inspect pipes to verify that the outlet is not damaged.	
Catch Basins or concrete & stone-pitching channel (inlets)	A below ground structure designed to collect and convey water into the stormwater system.	Surfaces of all catch basins shall be checked for debris.	Annually
	Catch basins can be located in roadways and greenbelt areas of a development.	Typical cleaning.	3 to 5 years
		The municipality will monitor completed developments for one year to determine how often the catch basin will require cleaning.	Annually
		Inspect for damaged or missing block and mortar.	
Gutters & kerbing	Are located in paved/surfaced roadways to convey storm-water into manholes, catch basins & other associated inlets.	Inspections for debris, sand, leaves and any other sediment types.	In conjunction with Roads Maintenance Programme or other
		Street and kerbing sweeping	When required/Annually
		Replacement of damaged sections and kerbing.	



3.1.4 Transport

Transport plays a critical role in economic development. Transport service in our context has two levels. It includes public and physical transportation systems. Our role in transport is largely focused on planning for movement of goods and people across our landscape. We are not a transport authority and currently do not have a transport plan.

However, it is our intention to develop and adopt such a sector plan in order to guide how we intervene and play our role in facilitating public transport, mobilization of transportation infrastructure support and coordination of movement patterns in support of our economic development objectives. This will prepare us to play a critical coordinating role in the planned developments by South African Railway Services (improvements of the rail line connecting Maclear–Khowa to South Drakensburg and Karoo areas) and other similar initiatives.

Our physical transportation systems are poorly linked and overly rely on road based network. The lack of established rail system linkages is a huge obstacle to realizing the existing potential in underperforming yet promising economic sectors like tourism, forestry, manufacturing and agriculture production. The lack of established rail transport network coupled with poorly maintained road infrastructure contributes negatively to our competitive advantage. It makes it difficult for our industries to have effective distribution networks necessary to link out local produce to markets.

In order to ensure **transport integration** Sakhisizwe LM will cooperate and work closely with the district and other relevant government organs to ensure implementation of an Integrated Transport Plan. However, the process will be led by the district and other authority agencies.

Therefore, Sakhisizwe shall not lead but participate in existing institutional arrangements such as Transport Forums and other associated structures aimed at facilitating integrated transport services.

Public transport is an integral part of our transportation services. The main challenge for Sakhisizwe is lack of provision for adequate and well-designed public transport facilities (Bus & Taxi ranks with proper toilets and refuse facilities, roadside passenger shelters etc).

Sakhisizwe Public transport system is currently uncoordinated and poorly planned. For example, there is no functional public transport interchange that offers well designed and planned public facilities. Our ranks do not have functional ablution facilities and lack integration in the way they function as a public space. We plan to invest and lobby other relevant department to assist with development and establishment of our public transport capacity in the form of passenger waiting (**bus shelters**) infrastructure and ranks in especially Cala, Khowa and Lower Lafuta nodal areas.

There is a need to consolidate and construct proper facilities in both our main urban centres to accommodate the fast growing number of taxis and public transport operations. This however, needs to be done as collaboration with private operator organizations so as to minimise tensions and confrontational outcomes.

Sakhisizwe LM also operates a **licensing and testing station** in Khowa. The testing station services the broader Sakhisizwe areas and also serves as a potential revenue raising facility.

There is a **landing strip in Khowa** which is currently under-utilised and not properly managed either. This facility is a potential source of revenue. Since the municipality does not have relevant aviation skills or capacity to operate this facility, it is suggested that Sakhisizwe council considers offering the facility to a private investor through a service level agreement for its operations and maintenance.

Sakhisizwe LM currently participates in **local transport forums** and will continue with these engagements to ensure improved public transport services in all our areas.



3.1.5 Public Amenities & Community Facilities

Sakhisizwe municipality is responsible for provision, management and maintenance of public amenities and community facilities that are in its custody and within its jurisdictional areas. These amenities are means by which the local government is advancing service delivery and social cohesion.

The biggest challenge facing the municipality with regards to sports and recreational facilities is lack of adequate funding for provision and maintenance. The planned infrastructure master plan mentioned earlier will also cater for a framework for the provision and future maintenance mechanisms for public amenities and recreational facilities as well.

3.1.5.1 Sports Fields:

The main challenge is that existing facilities are poorly planned and do not respond appropriately to the needs of target user communities. For example, facilities are few in number, cater for only few sporting codes and not multi-functional in their design. Due to this situation existing sports facilities in Sakhisizwe wards are multi-functional and this is compounded by the fact that limited fund availability makes it difficult for the municipality to maintain them regularly. The responsibility for provision and maintenance of sporting facilities is shared between SLM and DSRAC. However, the lack of a SLA makes it difficult to hold each partner accountable to their responsibilities.

Table 3.1.5.1-1 below summarizes the community needs as identified in the ward based planning process for sports and recreational facilities by ward.

Sports and Recreation:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9
Soccer / Cricket Field combined and park for youth/kids	1	1	1	2	1	1	1	1	1
Multi-purpose central sporting facility consisting of 2 sports fields for soccer/rugby, cricket, x2 tennis courts, athletics and netball court and a clubhouse/change room	0	0	0	1	0	0	0	0	0

The plans for the following year will focus on lobbying for funds to improve maintenance while targeting strategically located sporting facilities in Cala and Khowa to be upgraded into multipurpose sporting facilities.

Table 3.1.5.1-2 provides a synopsis of issues relating to sporting facilities in the SLM areas.

Sporting code	Formal league / teams	Management body in place	Facilities	Issues
Soccer	Yes. Only armature levels /3 teams	Yes. Launched in Feb 2011	Cala & Khowa towns	Lack of tournaments & proper facilities
Rugby	No.	No.	None	No formal structure



Cricket / Swimming / Netball / Tennis	Some schools have active pupils in these codes	No	None	No organized structure
Swimming	No.	No.	Private swimming pools in Khowa	No organized structure
Gym	No	No	Informal operators in Cala and Khowa	Need for a formal gym in an accessible area
Athletics (Running, Music, Dance, Acting, etc.)	Done by schools only	None outside of those working with DoE	Informal grounds mostly linked to schools	Need to integrate schools sports and community leagues
Sporting tournament	Soccer, netball, athletics, boxing	Mayoral cup	Ward 4 sporting complex	

3.1.5.2 Parks & Recreational Facilities:

Sakhisizwe LM owns and operates some few recreational facilities such as the Thomson's Dam in Khowa and others. There are at least 2 formal parks developed with public furniture in Cala and Khowa. The main challenge is that they lack provision and maintenance of proper toilet and refuse facilities. There are plans underway to install these facilities in the next budget year.

These facilities are earmarked for utilization in revenue collection through hiring to private users. There are also long term plans to develop new facilities in strategic areas such as the Old Plantation near Cala town in order to boost Tourism and revenue.

Cemeteries:

The municipality is responsible for providing professional cemetery services to all its communities including properly planned spaces for burial, support for paupers, maintenance and security of public assets linked to cemetery services.

There is no ward that has no cemetery at all at the moment; the only challenge is that existing facilities fall short of required expectations in terms of quality of service. This is because most cemeteries are in villages managed by traditional leadership. Cemeteries managed by us are in wards 1,2,4,5 Ward 4&5 cemeteries are properly maintained while 1 & 2 are not because communities do not pay for services. For example some cemeteries are not properly fenced and this causes stray animals to roam and destroy valuable assets. Others are located in areas that have geological challenges resulting in prevalent dampness and potential risk to underground water by contamination. There is also vandalism and theft of tombstones, as a result we have started to make provisions for security.

The focus in the coming year for cemetery services will be on mobilising stakeholder support for modernization (e.g. introduce automated register) and funding for infrastructure improvements (e.g. Installation of fences, toilets and securing of land for future cemeteries).



Again, SLM will develop and ensure proper implementation of a policy to guide pauper burial support. This will provide council with a systematic framework for consideration and responding to requests for burial support by destitute families.

Pounds & Commonages:

Sakhisizwe LM has two pounds in Khowa and Cala. These facilities serve as storages for animals that are impounded in our areas but currently do not meet required conditions by SPCA for the safe keeping of animal stock. There are also challenges of security due to compromised fencing which risks the municipality to potential law suit in case impounded stock got stolen while on municipal custody.

The focus for the coming year will be on:

- ☐ Resource mobilization towards installation of fencing
- ☐ Budgeting to procure relevant medical stock and training of staff to administer them
- ☐ Appointment of additional rangers, pound master at Khowa and improvement of security in both pounds.
- ☐ Community awareness to promote branding of animals for ease of identification ☐ Lobby for resources to build animal shelters

Community Halls:

Sakhisizwe LM has a responsibility to ensure provision and maintenance of reliable and accessible places of gathering and meetings for communities. During the current term at least the municipality was able to construct no less than 8 community multi-purpose halls between 2011/12 to end 2013/14 using resources from MIG and other contributors.

The main challenges facing the municipality with regards to smooth provision of community halls is lack of funds to do proper planning, provide security and constantly maintain existing facilities. We depend on the ring-fenced maintenance budget for the entire municipality to undertake necessary maintenance of halls and this is often too little and overstretched by other demands.

The planned master plan for infrastructure provision and maintenance mentioned earlier will also cater for the framework to maintain and continually provide community halls. We are also considering different models for the sustainable management, maintenance and continuous provision of community halls to all our wards.

Libraries and Museums:

There are three main libraries located in Khowa and Cala and a modular library in Askeaton to service greater Sakhisizwe areas. The new Khowa Library project is underway and we are in negotiation with DSRAC for its speedy delivery and operation.

We do not have established **museums** in our municipality but we are investigating mechanisms for possibilities linked to our historic and cultural heritage.

The main challenges for the library services can be summarised as follows:

- ☐ Lack of a comprehensive library management and maintenance plan; and
- ☐ Stock in Khowa and Cala libraries is outdated so we need to source new material.

There is functional and effective stakeholder partnerships for the betterment and funding of libraries in our areas.

Waste Management & Refuse:

Refuse collection is a primary competence of the SLM. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centres of Sakhisizwe receives this service.



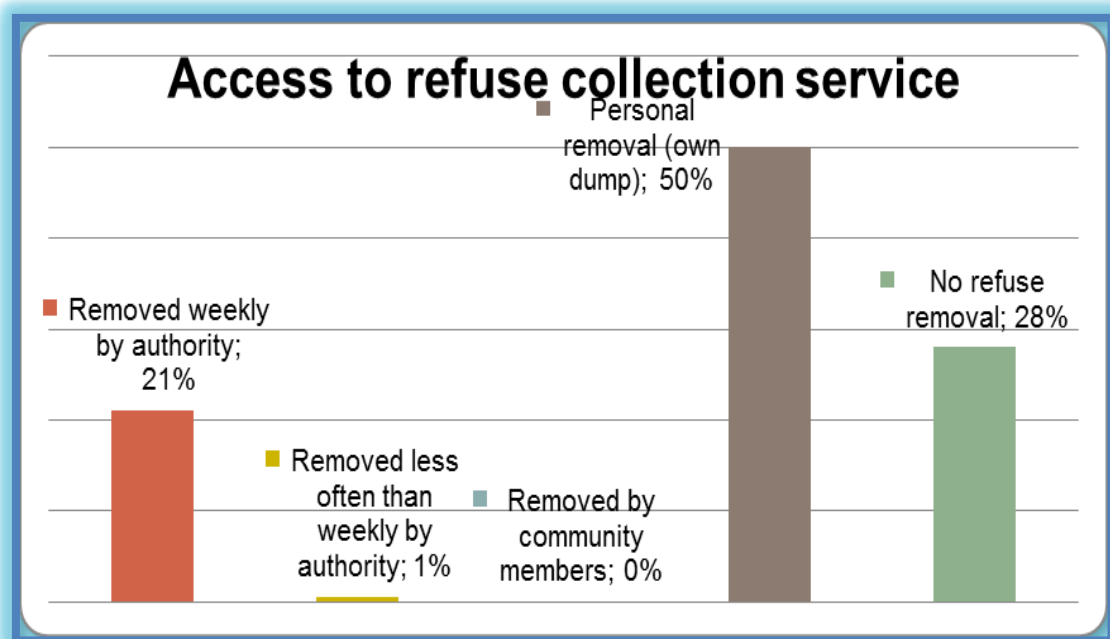
The main challenge for rendering both these services is aging infrastructure that is prone to regular breakdowns and unplanned stoppages. Further, expansion to rural and outlying rural areas is difficult to achieve under such circumstances. In these areas households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which leads to degradation and costly damages to our environment.

A landfill site is being prepared to accommodate waste and refuse collected in Cala and Khowa by SLM. This is located near Cala Town and is operational. In Khowa we have been funded by environmental affairs for establishment of Khowa transfer site and currently construction is underway.

The municipality is also engaged local economic development opportunities by promoting and supporting implementation of recycling projects linked to the landfill site, Backlog for provision of refuse removal remains high.

The unfortunate lack of provision in rural areas creates an unfair urban bias and spatial inequalities when comparing rural to urban household's access to refuse collection service. The figure below uses Global insight statistics of 2010 to give an indication of coverage for refuse collection by household access to a level of service within Sakhisizwe municipality.

Chart 3.1.5.2-1 Showing Access to Refuse Collection



Traffic & Safety:

SLM currently provides traffic safety services including the operation of a licensing and testing station in Khowa.

An analysis of access to police stations was undertaken as part of our SDF process and it shows that more than 90% of the population is within a 30 minute drive from a police station. The most inaccessible areas coincide with the most sparsely populated areas.



Table 3.1.5.2-3 below gives a comparison of access to a police station by local population.

Time	Population	%
0-5 Minutes	25 252	37%
5 – 10 minutes	8 083	12%
10 - 30 Minutes	28 284	42%
30 - 60 Minutes	4 593	7%
1 Hour +	1 217	2%
Total	67 433	100%

The municipality is interested in crime prevention and promotion of safety even though this function is led by the justice cluster (SAPS, Departments of Justice, Correctional Services and Community Safety in the Province). SLM participates in existing structures like policing forums and street committees with a view to curbing prevalent crimes. Crime is a problem for local government because if it is unmanaged it can get out of control and impact negatively on economic and social development.

According to information provided by local police stations in our municipality, the following crimes are common:

- ☐ Drug abuse (mainly alcohol & dagga)
- ☐ Gangsters in especially parts of Cala town and Khowa old location
- ☐ Assaults – linked to alcohol and drug abuse
- ☐ Rape - linked to alcohol and drug abuse
- ☐ Theft –of especially burglary types, animal and snatching of small potable items on unsuspecting victims

In terms of institutional responses to crime prevention, police forums exist in certain wards like 1, 2,3,4,5 and 9 but are often dysfunctional and ill-equipped with regards to support. Street committees only exist in concept but have not managed to affect a practical impact in their work or visibility. Therefore, more work is essential in this area of our crime combating strategies and programmes.

HEALTH PROMOTION & FACILITIES:

Primary Health (hospitals and clinics) is a core competence of provincial sphere of government. Local municipality only plays a facilitative role in the delivery of these services working closely with the district health offices.

The district health office indicated the following areas as primary priorities for the next 3 years in the department.

A. Primary Health Care (Phc) Re-Engineering

Strengthening of existing war rooms and establishing the new ones through the help of the political will.

- Continue with door to door campaigns.
- Improve transport for these outreach services.
- Consider integration of Community Health Workers for PHC Re-engineering. This is a readiness program for implementation of National Health Insurance (NHI).

B. Non-Communicable Diseases (Ncd).

- NCD has been lifted up as a priority problem as it is a silent killer in most of the time.
- TB AND HIV/AIDS (HAST)
- Mother and child, Women's' Health (MCWH)
- Health Promotion



C. National Core Standards- Six Key Priority Areas

- Managers are expected ensure that they are compliant with the six key priority areas. These 6 key priority areas should be fast tracked as they are the subsets of the most critical HEALTH standards:
- Values and attitudes of staff
- Cleanliness
- Waiting times
- Patient safety and security
- Infection prevention and control
- Availability of basic medicines and supplies

In fact, the municipality is now in the process of handing over all facilities and operational responsibilities for health facilities to relevant spheres who are authorities. Budget allocation for Sakhisizwe LM Sub-District is **R6 million**. This budget includes medicines, transport, telephone, equipment and security services. These are all cost drivers. Sakhisizwe Sub District consists of 14 clinics, 2 mobiles, and 2 District hospitals (Khowa and Cala). It has a population of 54 029 it is rural in nature, mountainous and scattered at the Cala side. Khowa side is peri-urban with lot of farms.

Eleven clinics are permanently built and three are ordinary houses and such are not compliant with the National Core Standards. However, there is a need for at least one of them to be upgraded to a complete standard clinic structure. The three clinics are the recently moved to provincial government from Local Municipality

Sakhisizwe has a ratio of one clinic per 6 752 people. According to national norms of one clinic per 10 000 people 2, Sakhisizwe has more clinics than recommended. However, the rural distribution of the population and the spread of health facilities throughout the area to meet the needs of these communities could justify this situation.

It should, however, be noted that whilst the above health facilities might well exist throughout the Sakhisizwe Municipality, it needs to be borne in mind that the infrastructure serving the facilities (water, sanitation, electricity, security, equipment and human resources etc.) is very often well below optimum. According to the findings published in the Eastern Cape Department of Health's Strategic Position Statement³ 27.5% of clinics in the Eastern Cape do not have water-borne toilets, 39% do not have access to safe water and 18% do not have electricity. The district officials in Cala and Khowa report that often clinics lack adequate supplies of essentials like medicine and working equipment.

According to the district health office in Cala the prevailing diseases in the Sakhisizwe areas are TB, HIV/AIDS, Diabetes, Hypertension and Asthma. The high levels of poverty in the Municipality place pressure on the current health facilities. There is a strong correlation between poverty and disease such as TB, malnutrition, pneumonia, diarrhea, gastrointestinal etc.

It is also important to note that HIV/Aids will put more pressure and demand on health and social services. The National Antenatal HIV Survey 4 reported that; in 1999, 450 000 people in the Eastern Cape Province were infected with HIV. It when on to state that it projects that 160 000 people would have died of AIDS in the province by the year 2009. This will place even further pressure on the present medical facilities.

In an attempt to curb the spread of HIV/Aids and other communicable diseases like TB (tuberculosis) and cholera SLM has developed a strategy to guide its interventions. The representative forums held for IDP formulation in Cala and Khowa highlighted the following issues as important when considering solutions to the challenges facing the delivery of primary health services includes:



- **Accessibility:** while facilities exist they are located far from their threshold service areas and people in rural areas need to travel far. The suggested intermediary service through mobile clinics was received by the district health office as a welcome idea for consideration in mitigating accessibility of primary health care services. An assessment of accessibility of health facilities reveal that 68% of the population is within 60 minutes from health facilities. The table below gives a distribution of population by amount of time it takes to reach or access a health facility.

Time	Population	%
5 km (30 Minutes)	23 769	35%
10 km (1 Hour)	22 271	33%
15 km (1 Hr 30 Min)	8 082	12%
More than 90 min	13 311	20%
Total	67 433	100%

- **Deteriorating infrastructure:** existing hospitals and clinics are often poorly maintained and planned upgrades take long to be implemented leading to gradual decay of already existing facilities. This was attributed to lack of funds and limited budgets allocated to the district office for infrastructure upgrades.
- **HIV and Aids prevalence:** the fight against the spread of HIV and increase of infections and eventual Aids pandemic has been identified as a key priority outcome of the municipality. The municipality working closely with the local Aids Council and other partners will continue to conduct awareness campaigns and facilitate smooth implementation of agreed health promotion programmes.
- **Lack of doctors and specialist practitioners visiting clinics:** most participants in the community engagement processes mentioned that available consulting doctors were too few to cover the existing demand in all our local clinics and this tend to cause people to want to flock into hospitals only to be sent back to their clinics.
- **Attitudes and poor communication:** nursing staff in certain clinics were accused of holding unprofessional attitude when dealing with patients and often fail to communicate properly the department's policy (e.g. Transfer to a hospital) to their patients. Thus causing confusion and misunderstandings which could be prevented.

Public or municipal health: is a core competence of the district municipality. In this area the DM has employed its own staff and allocated them by local municipal areas to deal with issues of water sample testing, inspections of food selling outlets, monitoring of outbreak of communicable diseases and general public health education campaigns.

Disaster Management: Disaster management services include a range of tasks such as firefighting, disaster relief, emergency services and related operations.

The disaster management is normally a district function and therefore Chris Hani DM is responsible for budgeting, developing policy and disaster management plan which must inform and be informed by contributions of its LMs including SLM. Our role in this function is largely to facilitate implementation of such a plan.

Our district has developed and adopted a disaster management plan. We are in the process of customising it for implementation in our SLM areas. Our focus for the next coming year will be on lobbying for better resources and decentralisation of services (e.g. Establishment of a local



disaster centre with firefighting equipment) and capacitation of our local ward level structures with training and basic operational equipment.

In order to guide our planning for prevention and mitigation of risks associated with potential disasters, our SDF provides a basic framework for identifying critical risk and vulnerability areas of community.

The funding for policing and monitoring of those risk factors is expected to come from the district and Province. We plan to cooperate with other spheres of government in implementing the adopted CHDM Disaster Management plan in all our areas. The implementation will relate to effective provision and execution of tasks such as:

- appointment of firefighters and deployment of dedicated disaster management staff to our areas
- funding of operations and continuous capacity building activities like training and awareness campaigns
- installation of local (SLM) disaster centre
- Collaboration on planning and coordination of disaster relief programmes
- Other emergency response activities

Education and Early Childhood development: The role of providing and ensuring quality of education services remains the primary competence of the national department of education. Local government municipalities are however required to play a critical role in facilitating early childhood development (crèches) and adult education (Abet) support programmes.

Education is a central service to economic development and without the production of essential skills, there may be limitations in realizing the benefits of our economic opportunities. Plans are advanced to lobby relevant authorities for the establishment of a training and skills centre or FET in Cala. It is intended that this facility once in full functional status, will empower our local economy with relevant trades and entrepreneurial skills.

The trends for educational enrolments and numbers of teachers in our schools have been gradually reducing instead of growing. It is necessary to undertake detailed investigations into the reasons for this downward trend as it poses a danger to the stability of education services.

Total Learners		
2010	2011	2012
19,906	18,738	18,284
Total Educators		
2010	2011	2012
745	724	686

The table above uses statistics from the Global Insight 2012 to reflect on trends for learner enrolments and teacher availability in our local schools.

An assessment of the recent national statistics report issued in 2012 reflects that the numbers of people without any schooling has been gradually decreasing in our municipality.

The figures below uses recent national statistics (StatsSA 2011) to highlight the prevailing levels of educational achievement among SLM people.

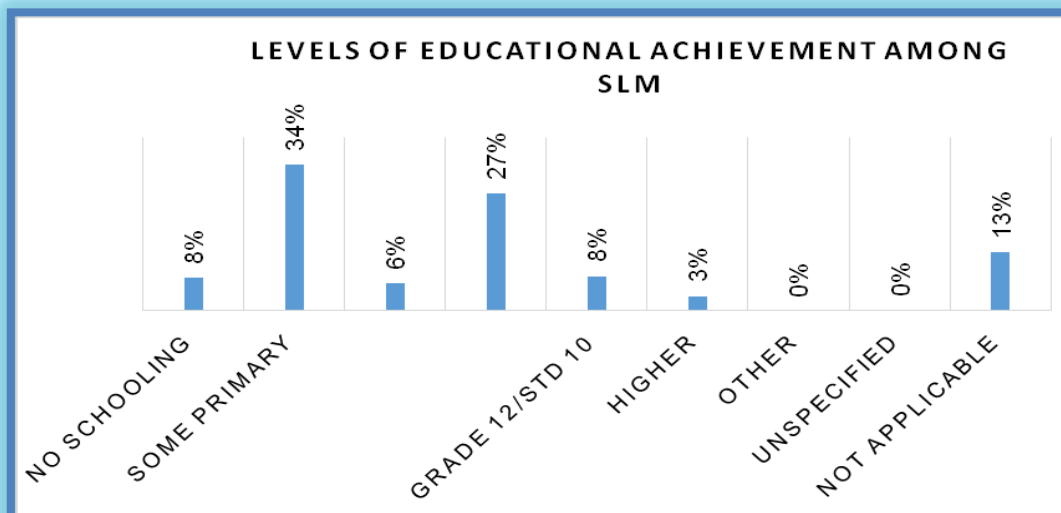
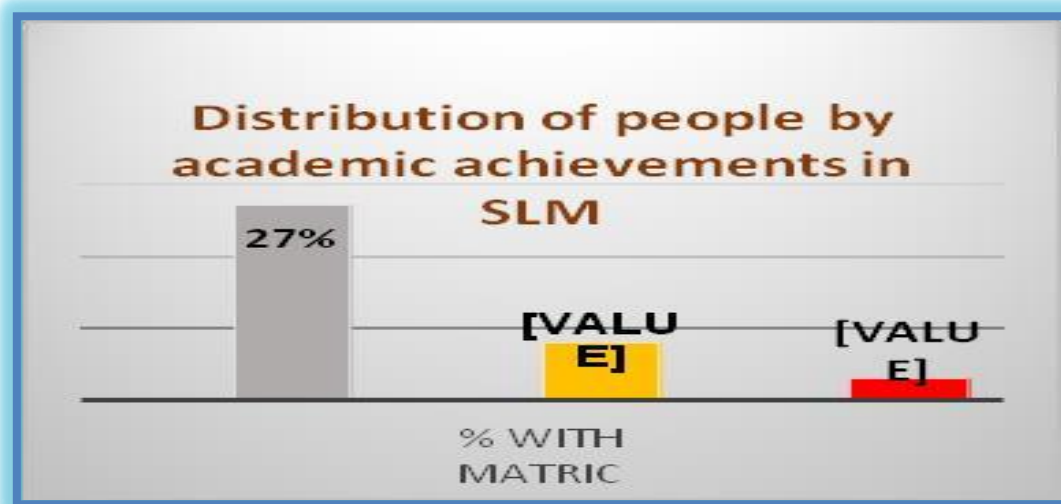


Table 3.1.5.2-3 ward based participatory planning process identified the following issues and infrastructures for education in the Sakhisizwe LM:

Education:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Persons with no education	664	967	700	206	699	275	467	393	438	4,809
Facility to educate persons with no education	1	1	1	1	1	1	1	1	1	9
No of classrooms for new facility	22	32	23	7	23	9	16	13	15	160



Maintenance of existing schools	yes	yes	yes	yes	Yes	yes	yes	yes	yes	-
ECD (Grade R)	7	6	14	7	7	8	7	6	6	68
GET (Grade 1-7)	0	0	0	0	0	0	0	0	0	-
Secondary	0	1	1	1	1	1	0	1	0	6
Special Schools	1	0	0	1	0	0	0	0	0	2
FET Campus (to be based in Cala)	0	0	0	1	0	0	0	0	0	1
FET College	0	0	0	0	0	0	0	0	0	-
University	0	0	0	0	0	0	0	0	0	-
Nursing college (to be based in Cala)	0	0	0	1	0	0	0	0	0	1

Other challenges relating to education in Sakhisizwe LM:

- Lack of vocational skills training institutions
- Inadequate equipment (laboratories) in local schools to enable effective learning for science and research
- Declining quality and standards of outputs in terms of grades and achievement for matric passes among our local high schools
- Poor planning integration by the departments of Education, Eskom and District for provision of infrastructure support services like electricity, water and refuse to schools

3.1.6 Energy & Electricity

Alternative Energy:

The supply and demand management of energy is critical to sustainable development. Sakhisizwe council subscribes to sustainable development principles and promotes exploration and utilisation of alternative sustainable energy solutions.

We are in the process of exploring various alternatives for energy including projects on solar power (for geysers, street lighting and other uses), Wind propelled energy and others. These explorations will overtime assist the municipal economy to reduce it's over reliance on energy sources that deplete our environment such as fossil fuels and coal.

Electricity Supply:

Electricity is the major source of energy utilised in our municipality. It currently accounts for over 97% of energy utilization. Eskom is the main provider of electricity in our areas. Sakhisizwe is licensed to supply only in the areas of Khowa town, Hill View Township and Takalani Township. At a recent Strategic Planning session of the municipality held in March 2014, it was recommended that council explore the possibility of negotiating the extension of our license with Eskom to provide in other areas like Cala in near future. It is intended that such a move will



stabilise and standardise service quality and reliability across the municipal jurisdictional areas. The move will also ensure future potential increase in our electricity sales revenue. An analysis of supply and household access to electricity and energy sources was undertaken. StatsSA report of 2012 indicates that by 2011 the majority 79.1% of households in the Sakhisizwe municipality had access to electricity for lighting purposes. The technical services department estimates that only 10% of households do not have access to electricity connection by February 2012.

In addition to the commitment by Eskom to ensure that all areas of Sakhisizwe are electrified by 2014, the following projects for electrification were recently completed.

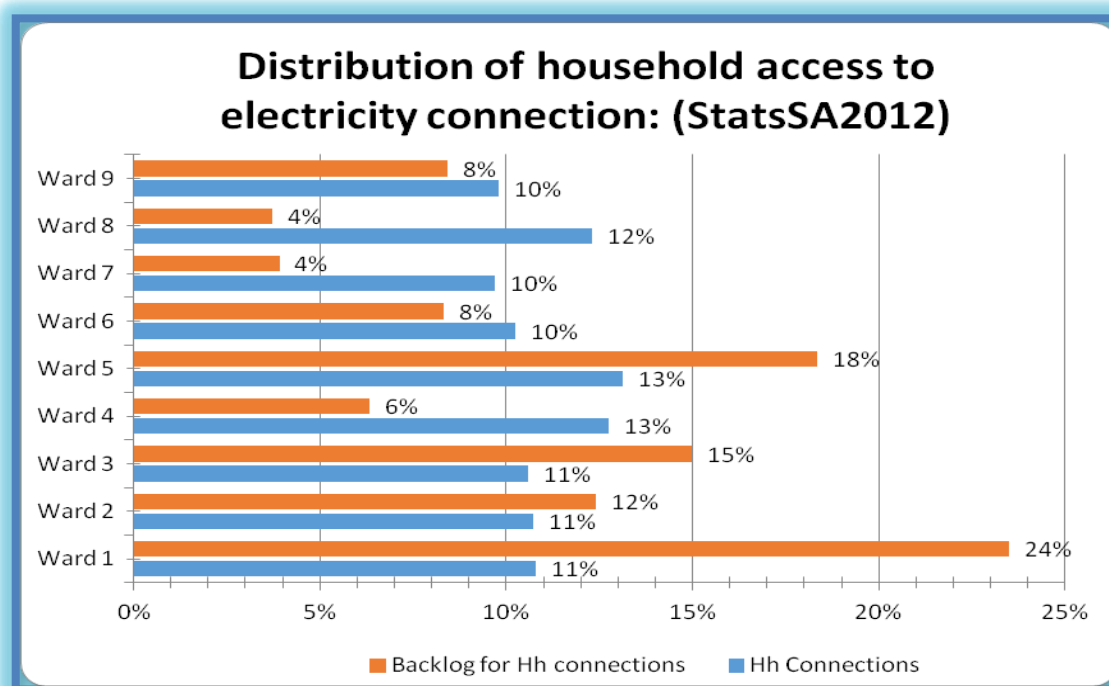
- ▶ Khowa bulk electricity network phase 1
- ▶ Khowa bulk electricity network phase 2
- ▶ Cala high mast street lighting
- ▶ Takalani township household connections (440) started in 2011-2012
- ▶ Extension 14 & 15 household connections
- ▶ Lower Langanci M-v line networking. started in 2010-2011
- ▶ Lower Langanci household connections (196) started in 2011-2012

The Need for Electricity:

The recent ward based planning assessment of services found that “the municipality is doing rather well on the supply of electricity to the homes. Of the 1536 homes / dwellings, 1292 have access to electricity for lighting. There is an immediate demand for electricity for 289 households and over the next 5 years and additional 239 raising the total planning demand over 5 years to 528 homes. There is also a need for High mast lights to be installed in each settlement to provide street lighting for the community”

The following figure gives the distribution of electricity supply and demand (household connections) by ward level. It shows that the majority of households awaiting household connections are concentrated in the wards 1 (24%), 5 (18%) and 3 (15%).

Chart 3.1.6-1 Showing Housing Access to Electricity





3.1.7 Access to land and Human Settlements

Sakhisizwe LM undertook a **detailed land audit** in 2010 aimed at establishing ownership patterns and guiding strategies to curb and control land invasion.

The land audit report was used to inform the formulation of our spatial development framework. In terms of the land audit and recent consultations during the IDP review formulation, Sakhisizwe LM has **no outstanding land claims**. However, with the parliamentary decision to reopen land claims for those individuals who could not submit by the last national deadline of 1998, it is unknown yet how many claim will emerge and how these will impact on local economy and land availability.

Land degradation is a common feature in the rural parts of the Eastern Cape and especially the former Transkei areas. This is caused partly by:

- Flooding due to heavy terrestrial rains which tend to erode the fertile top soils
- Poor land care practices among those who work the land
- Land invasion and negative sprawling into productive agricultural lands
- Climate change related factors

As part of current efforts to curb land degradation, the municipality is planning to work closely with the district and the department of Agriculture to lobby resources for implementation of a land care programme focused on targeted interventions to curb problems of soil erosion, sprawling of informal settlements into productive agricultural lands and capacity building of local producers (land users) to sustain or prevent loss of fertility in our arable lands.

Settlement typologies:

Apart from small pockets of privately owned land in the Cala and Khowa towns of the municipality, the largest parts of the municipal area consists of lesser forms of tenure on communal - state owned land. These forms of tenure include PTO's and Quitrent (often in overlapping allocations). The northern (former RSA) component of the Municipality consists of privately owned farms and erven. Prevalent settlement typologies are briefly discussed below.

Scattered low-density rural residential settlements:

These settlements are loosely scattered throughout the southern municipal area and are surrounded by communal grazing land, and in some instances - arable lands. The structure of most of these settlements clearly reflects a distinction between residential and arable 1 grazing uses. In a number of settlements where land use rights were in the past issued in terms of the quitrent system, these ownership and use-rights are still acknowledged and respected. The levels of service are generally low, with the majority of residential structures being self-built. Apart from a few trading stores and agricultural activities, there is little sign of any other economic activity in this area.

Communal agricultural land:

These areas make up the balance of the former Transkei part of the Municipality (outside the Cala Commonage boundary and rural settlement areas).

Commercial farms make up the rural component of the former RSA part of the Municipality (outside the Khowa Commonage boundary)

Urban settlements are comprised of the towns of Khowa and Cala. In comparison to their surrounding hinterland, these towns have a higher level of social and infrastructure services and hence fulfill the role of the main service centers to the surrounding hinterland.

3.1.8 Housing delivery

Our municipality is not a housing authority and therefore our role is often limited to administrative support like processing of beneficiary applications for subsidized housing linked to rural development and land reform initiatives. We also play a facilitating role in housing construction programme of the department of Human Settlements. Sakhisizwe has developed and adopted a Housing sector plan in 2012 (still valid) to guide its interventions and contributions to housing



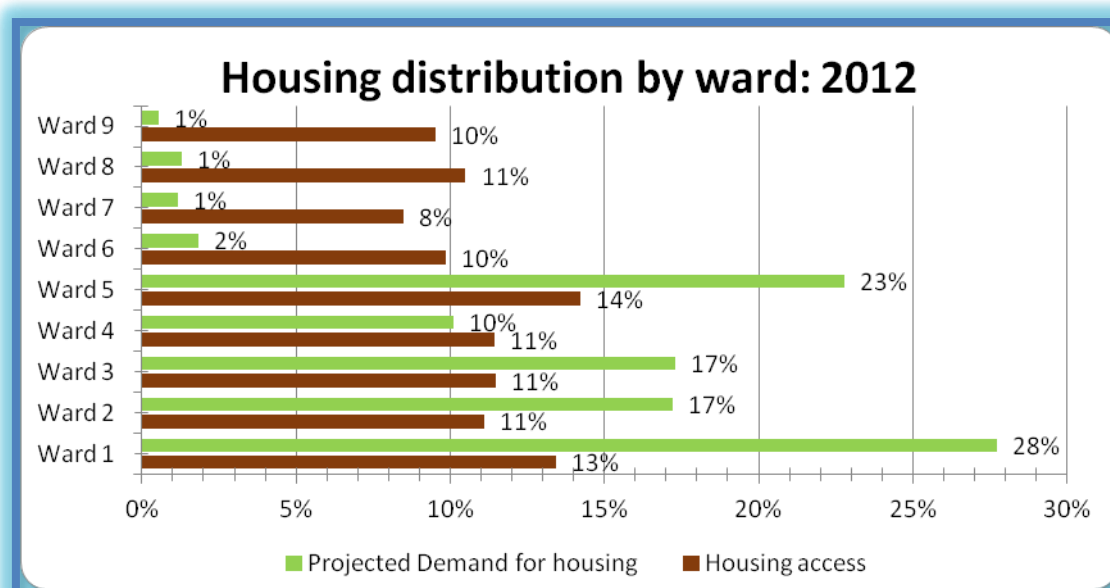
delivery in its areas of jurisdiction. This plan is aligned and implemented together with the provisions of our adopted spatial development framework (SDF).

The SDF proposed that the initially focus should be on densification programmes in Phola Park, Old Location in Khowa, Bathandwa Ndondo, Phakamisa, Manzindaka, and Cala Reserve. In 2013/2014 the department of Human Settlements has budgeted to rehabilitate and rectify about 65 houses as part of its disaster and emergency programme. These programmes were not completed by March 2014 and will continue.

Related bulk service infrastructure delivery linked to the delivery of housing is integrated through collaborative planning into the capital costs of the projects. The municipality has also incorporated aspects of bulk infrastructure linked to these developments in its capital infrastructure plans led by the PMU.

Migration is not a serious factor in housing demand within the Sakhisizwe municipality since very few numbers converge into our areas in search of greener pastures. The majority of people that constitute our housing demand are local inhabitants. There is therefore no need to develop a dedicated migration plan in Sakhisizwe.

Chart 3.1.8-1 The estimated housing backlog in Sakhisizwe is 930 units distributed across the wards as shown below.



These units can be further categorised into the following types (internal assessment):

- 600 low income units (RDP level across SLM)
- 200 middle to upper income units (primary nodes only)
- 130 rental stock in nodal areas (Cala, Khowa towns and Lower Lafuta secondary node)

In order to satisfy the current demand the recent report on ward based planning in Sakhisizwe proposes that an estimated 464 hectares may be needed for new development demand.

Table 3.1.8-1 below gives the distribution of housing demand by ward and hectares of land needed to satisfy the demand.



Housing:	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Land required for new housing (45%)	20.2	12.3	32.6	11.7	17.8	28.2	25.8	29.2	30.9	209
Land required for ancillary land uses (25%)	11.2	6.8	18.1	6.5	9.9	15.7	14.3	16.2	17.2	116
Land required for roads (30%)	13.5	8.2	21.7	7.8	11.9	18.8	17.2	19.5	20.6	139
Total land required in hectares (ha) 1 ha = 10 000 m ²	44.8	27.3	72.4	26.1	39.66	62.6	57.3	64.9	68.7	463.9

3.1.8.1 Overview of housing projects in Sakhisizwe Municipality – Per Project/Ward

WARD 1 and 3 VILLAGES	CLLR DODA - CLLR HOZA		
	NO OF APPROVED BENEFICIARIES	NO OF HOUSES STARTED & completed	NO OF HOUSES NOT COMPLETED
Tsengiwe	410	194	216
Mnxe	138	0	138
Cala Reserve	157	0	157
Mhlwazi	100	0	100
TOTALS	805	194	611

WARD 3&6 VILLAGES	CLLR HOZA(WARD 3) CLLR SONDLO (WARD 6)			
	NO OF APPROVED BENEFICIARIES	NUMBER OF HOUSES COMPLETED	NUMBER OF HOUSES AT VARIOUS STAGES	NUMBER OF NOT STARTED HOUSES
Cala Pass	125	70	32	23
Echibini	150	55	64	31
Ekuphumleni	101	0	39	62
Eluxeni	40	1	17	22
Esikhobeni	31	0	3	28
Galili	2	0	0	2
Lahlangubo	3	0	0	3



Lusindiso	0	0	0	0
Macangwceni	75	42	10	23
Mgwalana	112	17	36	59
Qiba	131	2	58	71
Qithi	3	0	0	3
Roma	0	0	0	0
Siphafeni	0	0	0	0
Thaleni	116	72	3	41
Xonya	82	15	45	22
TBA	4	0	0	4
(Unconfirmed Yet)				
TOTALS	975	274	307	394
WARD 7 VILLAGES	CLLR MAGANDELA (WARD 7)			
	NO OF APROVED BENEFICIARIES	NO OF HOUSES COMPLETED	NO OF HOUSES AT VARIOUS STAGES	NO OF HOUSES NOT STARTED
White City	58	58	0	0
Sdikidini	54	54	0	0
Barracks	59	59	0	0
Sphafeni	28	28	0	0
TOTALS	199	199	0	0

WARD 8 VILLAGES	CLLR MKATI (WARD 8)			
	NO OF APROVED BENEFICIARIES	NO OF HOUSES COMPLETED	NO OF HOUSES AT VARIOUS STAGES	NO OF HOUSES NOT STARTED
Thembeni	11	11	0	0
Maqwathini	79	15	19	45
Mission	71	10	34	27
Manzimahle	319	0	0	319
Askeaton	106	18	71	17
Mthingwevu	137	0	0	137
Diphini	38	16	10	12
Bumbane	87	10	17	60
TOTALS	848	80	151	617

WARD 8-9 VILLAGES	CLLR MKATI (WARD 8) - CLLR MBASANE (WARD 9)			
	NO OF APROVED BENEFICIARIES	NO OF HOUSES STARTED & COMPLETED	NO OF HOUSES AT VARIOUS STAGES	NO OF HOUSES NOT STARTED



<u>LOWER LUFUTA</u>				
Mangweni	173	22	50	101
Madwaleni	74	42	0	32
Mbodlane	121	49	22	50
Rollwest	133	39	23	61
Hota				
Mbewula	29	0	0	29
Ncalukeni	46	0	0	46
Sgangeeni	37	0	0	37
Sweet line	41	0	0	41
<u>NYALASA</u>				
Lalini	20	10	0	10
Mazizini	41	30	0	11
Mahlungulu	32	0	0	32
<u>MBENGE</u>				
Ngxingweni	47	0	0	47
Komkhulu	133	57	36	50
Nomadande	27	0	0	27
Binca	34	0	0	34
TOTALS	988	249	131	608

The tables above provides the status of housing development in Sakhisizwe. It should be noted that the Department of Human Settlements is still struggling with meeting the needs of the community. This is attributed by a number of issues including budget.

3.8.1.2 EMERGENCY HOUSING PROGRAMME

As part of responding to recent disaster, the department has set aside a budget to reconstruct and provide housing emergency relief to victims in the Chris Hani areas including 65 in Sakhisizwe. The plan is to construct 430 units for the entire Chris Hani Region (8 Municipalities) funded by Human Settlements and COGTA Grant as follows:

- 65 units have been allocated for Sakhisizwe LM (inclusive of 26 units funded through COGTA)
- This project is earmarked for the beneficiaries who were affected by disaster and have already assisted with temporary shelters.
- The beneficiaries have to qualify for the Housing Subsidy Scheme.
- The Chris Hani DM has currently engaged with the developer Coega.
- In the Sakhisizwe LM only ... beneficiaries has been approved to date.
- Challenge is with beneficiary administration:- Approvals are not forthcoming and the programme is being affected. Some of beneficiaries that are allocated temporal shelters do not qualify as they have previously benefited and earn above R 3,500/month.



CHALLENGE/INTERVENTION	STATUS
Fast track processes to conclude the documentations to enable the implementation of Bulk infrastructure services and internal services.	Processes of signing the Service Level Agreement between Chris Hani DM & Human Settlements underway. Service Provider to the project to conclude designs for approval.
Delays experienced in Facilitation and processing of transfers	Slow progress on resolving the issues of transfers by appointment of Conveyances to start and finalise the transfer process.
Non availability of beneficiaries to occupy completed houses especially in Cala Ext 15 and that leads to vandalism	Municipality to provide with the house caretakers to safe guard the houses.
Beneficiary list outstanding on project for implementation. 10 approvals on destitute houses.	Working close with Municipality with regard to beneficiary forms and list outstanding

3.10 Solid Waste Management services

Solid Waste Management & Refuse:

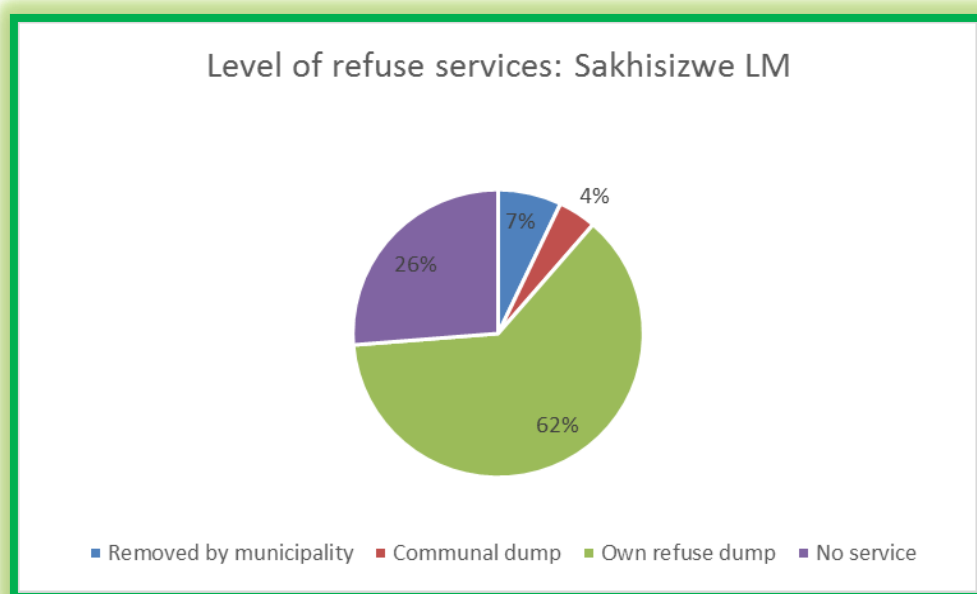
Refuse collection is a primary competence of the Sakhisizwe LM. Currently the municipality is providing this service to largely few urban based households and businesses. Similarly for cleansing and street cleaning, only the urban centres of Sakhisizwe receives this service.

The main challenge for rendering both these services is aging infrastructure that is prone to regular breakdowns and unplanned stoppages. Further, expansion to rural and outlying rural areas is difficult to achieve under such circumstances. In these areas households are either using own mechanism to dispose of their waste and refuse or dump illegally anywhere which leads to degradation and costly damages to our environment.

A landfill site is completed to accommodate waste and refuse collected in Cala by SLM. This is located near Cala Town and is operational. In Khowa, SLM has lobbied funds from environmental affairs for establishment of Khowa transfer site and currently, construction is underway.

The municipality is also engaged local economic development opportunities by promoting and supporting implementation of recycling projects linked to the landfill site. Backlog for provision of refuse removal remains high with 26% not served at all while another 62% of households use own means of disposing refuse and waste without any support from the municipality.

The unfortunate lack of provision in rural areas creates an unfair urban bias and spatial inequalities when comparing rural to urban household's access to refuse collection service. The figure below uses Community survey to give an indication of coverage for refuse collection by household access to a level of service within Sakhisizwe municipality as indicated earlier under waste management refuse collection:



Sakhisizwe LM is not an authority for waste management. The CHDM is responsible for developing policy and guiding plan (IWMP) in our areas. As Sakhisizwe we are contributing by collaborating the DM on the implementation of the adopted plan as well as participating in influencing priorities during planning. To this extend, we are committed to adapt the existing CHDM IWMP and customise it for our own context during 2014 in order to guide our interventions and waste management activities.

In terms of infrastructure for waste management, we currently operate 2 landfill sites (permitted in terms of NEMA) in Cala and Khowa. The site in Cala which is to be utilised as our primary dumping place is being upgraded to meet required standards and will be in full operation soon.

The municipality has identified as a priority, the need to conduct community awareness campaigns aimed at promoting the following objectives:

- Sensitivity to environmental impact arising from illegal and improperly disposed waste
- Sorting of waste at household source to enable smooth implementation of planned recycling interventions
- Community mobilization toward improved culture of effective waste management
- Empowerment of local operators and enterprises in the waste sector
- Dissemination of information to empower communities and entities involved in waste management
- Coordinating the implementation of the adopted CHDM IWMP programmes

3.11 Environmental & Climate Change Management

Sakhisizwe LM is assigned power and function for **air quality management** but is currently unable to fulfil this mandate due to lack of skills and staff with environmental management capacity. We hope to remedy this situation as soon as our operational budgets allow.

In the meantime, SLM will rely on support from other spheres of government (CHDM, DoEA and NGOs) to assist with planning, monitoring and production of **state of environment reports** as required by NEMA.



Climate Change: Sakhisizwe area experiences warm moist summers; cold dry winters and snow during the winter months. Some parts of the area also experience thunder for about 60 days a year.

EIAs – our PMU has identified all projects in our capital programme that will require EIAs and have set in place a process to ensure compliance during implementation. Support from the Department of Environmental Affairs on this regard will also be sourced as and when required.

The following are general environmental challenges facing Sakhisizwe LM:

Funding and Policing: Since this is largely a competence of other spheres of government it is difficult for our council to properly budget and provide resources for the required policing (by-laws and enforcement staff) of environmental transgressions. However, through a partnership arrangement with CHDM our municipality will be allocated dedicated public health inspectors who shall initially also be extended to undertake certain environmental management activities on our behalf. The staff will be located in our local offices.

Capacity Challenges: due to lack of internal capacity and human resource provision in our current structure, we are unable to undertake important functions of environmental planning and monitoring. Often, we react to disasters because we do not have appropriate plans to forecast and implement preventative interventions.

Lack of provision for green spaces: our towns are characterised by dire lack of public and recreational parks. The former land allocated to these activities has unfortunately been taken over by speculative development in Cala town and poor maintenance in Khowa town centre. Local inhabitants do not have descent areas where they can take their families for a picnic or kids to play.

Flooding & Soil Erosion: Due to prevalent terrestrial summer rains often accompanied by storms and thunder and coupled with weakened soil cover, flooding and erosion is common. The flooding problem is also compounded by our prevailing mountainous and high gradient sloping topography.

Drought: due to long periods of nil rain and poor protection of rain water gained during summer rains the areas of Sakhisizwe experience periodic droughts which in turn leads to degeneration of environmental assets as activities like overgrazing become unavoidable.

Decaying urban aesthetics: due to poorly organized refuse collection and waste management programmes coupled with lack of enforcement of local by-laws for town planning, our CBD is characterised by litter and remains from burst water mains. The town of Sakhisizwe is in a state of gradual urban decay and need urgent attention.

Roaming animals: due to broken and sometimes non-existent fences along grazing areas and abutting villages to main roads, roaming animals on our roads and even town streets are common phenomena. These animals are often responsible for accidents on our roads.

3.11.1 Natural Environment Analysis

Topography: The Sakhisizwe municipal area comprises gently undulating “table land” forming the Drakensberg foothills. Elevations in the area range between 750m to 2600m above sea level. The soil types vary according to topography. The low-lying area is characterized by soils with high clay content (highly erodible) and the surrounding hills consist of strong litho-soils. Size of municipality is 2556 km².



Vegetation: The vegetation of the area is composed of sweet and sour Grassveld. Trees and shrubs occur on sheltered sites, rocky hills and ridges. Dohne Sourveld is the most common transitional forest and shrub type and the sweet grass is dominated by Redgrass Themeda triandra. Unimproved Grassland make up (76%), with Cultivated Dry land (9%), Degraded Unimproved Grassland (6%), Forests Plantations (2.5%), Thicket Bush land (2.2%) and Built Up Areas (1 %) making up the balance.

Environmental Development Constraints: Overgrazing - poor farming practices, lack of stock rotation / control. This in-turn leads to degradation of vegetation, soil erosion and increase in invader plants.

Invader plant species - especially wattle along drainage features.

Infrastructure services (lack or poor positioning thereof) - including cemeteries, insufficient sanitation systems, waste disposal and the potential impact on ground and surface water sources.

3.11.2 Safe and secure environment

Crime prevention is a competence of other spheres of government and our role is to contribute and participate in established arrangements to combat escalation of crime and its negative impact on our society and economy.

Sakhisizwe is a signatory to the local SAPS integrated community safety plan. We also play a pivotal role in local crime prevention initiatives like community police forums and street committees.

We participate in strategic meetings aimed at ensuring a safe and secure Sakhisizwe for all who live and operate businesses in it. There are at least community forums in each of our nine wards. However, these institutions are not well functional and require more support and capacitation to make them more effective.

3.12 Social cohesion & development programmes

Social development is critical for community cohesion. Sakhisizwe municipality understands the importance of this aspect of our development and has developed close working relations with critical stakeholders like the department of Social Development, Department of Sports, Recreation and Culture.



3.2 NKPA-FINANCIAL VIABILITY PROFILE

3.2.1 Financial Overview

In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future income.

One of the key issues identified for the sustainability of Sakhisizwe Local Municipality is expanding its revenue base whilst remaining financially viable and sustainable. The objectives are therefore to provide effective, efficient and coordinated financial management and financial accounting. This financial plan includes the assumptions used when compiling the operating and capital budget, financial strategies as well as the accounting policies and includes national and provincial priorities.

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

The **Local Government Budgets and Expenditure Review** document highlights the following areas as requiring particular attention while preparing municipal budgets:

- **Revenue management** - To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed.
- **Collecting outstanding debts** - This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households.
- **Pricing services correctly** – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- **Under spending on repairs and maintenance** – Often seen as a way to reduce spending in the short term, under spending on maintenance can shorten the life of assets, increase longterm maintenance and refurbishment costs and cause a deterioration in the reliability of services.
- **Spending on non-priorities** – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks.



3.2.1.1 National Priority – creating decent employment opportunities

In drafting their budgets, all municipalities are urged to continue to explore opportunities to mainstream labour intensive approaches to delivering services and more particularly to participate fully in the Extended Public Works Programme.

Municipalities must focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches
- Supporting labour intensive LED projects
- Participating fully in the Extended Public Works Programme
- Implementing interns programmes to provide young people with on-the-job training

The past financial year has presented budgetary challenges to the Sakhisizwe Local Municipality, resultant of the global economic meltdown. These challenges include coping with revenue shortfall, the collection of arrear debt, and creating a balance between increasing demand for services and limited financial resources. The Sakhisizwe Local Municipality has developed a Financial Strategy to mitigate against these pressures. Several options were considered, which include maximizing revenue generation, debt collection, increase in indigent support, tariff increases above the projected inflation in some services and curtailing of expenditure.

The following graphs indicate the estimated movement in the inflation percentage in the coming three year

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
%	5.6%	4.6%	6.4%	6.4%	5.8%	5.7%

3.2.1.2 Annual Financial Statement Presentation

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of Government Gazette number 31021, Notice Number 516, dated 9 May 2008, and also in terms of the standards and principles contained in Directives 4 and 5 issued by the ASB in March 2009.

3.2.1.3 Auditor General Concerns

The municipality is gradually improving on its capacity to plan, manage finances and account on its activities and expenditure. According to Auditor General Sakhisizwe Municipality achieved an unqualified audit opinion for the year ended 30 June 2018, despite the challenges that the municipality was facing during this year. The AG acknowledged that the municipality was able to give a fair presentation in all material respects regarding its financial performance.

The following table gives the basis for the AG's unqualified opinion:

Audit Outcomes

FINANCIAL YEAR	AUDIT OPINION
2013 _ 2014	Qualified
2014 _ 2015	Unqualified
2015 _ 2016:	Unqualified
2016 _ 2017	Unqualified
2017 _ 2018:	Unqualified



The municipality is aiming for Clean Audit Opinion towards 2018 - 2019. Sakhisizwe Municipality does have an AFS Process Plan / year end preparation plan in place. The internal audit unit does a Risk Assessment on an annual basis. These assessments are managed by the Internal Audit unit during the financial year.

3.2.1.4 Debtors – Revenue Management

Consumers are billed on a monthly basis as per the norms and standards of revenue management. The debtor's turnover rate is 2.91. Debts are collecting according to the Revenue enhancement strategy.

3.2.1.5 Creditors

There are no long outstanding creditors of Sakhisizwe Municipality and creditors are paid within 30 days, as per the MFMA. The creditor's turnover rate is 3.59.

3.2.1.6 Information and Communication Technology

The ICT Software used by Sakhisizwe Local Municipality is summarized in below:

COMPANY	PROGRAMME	APPLICATION
1. Sebata	1. Sebata FMS	1 Billing 2 Creditors 3 Stores 4 Ledger 5 Assets 6 Cash Book 7 Payroll
	2. Windows	1 Operating System
2. Microsoft	1. MS Office	1 Word 2 Excel 3 Power Point 4 Presentations and Publisher 5 Adobe Acrobat 6.0, 8 & 5
	2. Outlook	1 Email
3. Windeed	1. Win Deed 2. Win Search 3. Win Transfer	1 Property transfers 2 Title deed searches 3 Report on property transfers
4. First National Bank	1. Corporate Banking	1 Electronic Banking
5. SITA	1. eNatis Pals	1 Motor Vehicle Registration
	2.	2 Library Book issues



3.2.2 MTREF Budget 2017/18 – 2019/20

3.2.2.1 INTRODUCTION

SLM like most local municipalities has a vital role to play in turning around the economy. At Sakhisizwe, municipal finances are under pressure. This is the result of the rising cost of delivering basic services, low revenue base, under collections of municipal internal revenue, weak financial planning and controls, with poor management decisions leading to underinvestment in and insufficient maintenance of infrastructure. In some cases, corrupt practices have taken root in local administrations. Over the period ahead, national transfers to SLM must continue to support the delivery of basic services, while incentivising improved performance and the turnaround of troubled SLM.

In the local space, fiscal prudence cannot be overemphasised, renewed attitude towards revenue management, improvement of governance and financial management to support service delivery including the adoption of funded budgets and implementation of the municipal standard chart of accounts and the long awaited plan to infuse consequence management for maladministration must be the primary way to respond to a stimulus package plan by Sakhisizwe Municipality.

SLM is in a process of performance of the draft budget for 2019/20 financial year to be table to Council for approval by 28 March 2019, Sakhisizwe Local Municipality has adopted unfunded budget for 2018/19 by the May 2018, which is made up of Total Expenditure of R108 Million and total revenue excluding capital transfers of R 92.7 Million, with an unfunded balance or deficit of R 15 Million. SLM will not approval any unfunded budget in 2019 for 2019/20 financial year, the draft budget is funded and meet all the requirement of considerations of circular 93 and 94 and is in line with version 6,3 of National Treasury requirements.

3.2.2.2 LEGISLATIVE REQUIREMENTS

Budget preparation process

21. (1) The mayor of a municipality must— (a) co-ordinate the processes for preparing the annual budget and for reviewing

the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible; (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for- (i) the preparation, tabling and approval of the annual budget;

(ii) the annual review of— (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies; (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and (iv) any consultative processes forming part of the processes referred to in

Subparagraphs (i), (ii) and (iii). (2) When preparing the annual budget, the mayor of a municipality must—

(a) take into account the municipality's integrated development plan; (b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years; (c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum; (d) consult— (i) the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;



- (ii) all local municipalities within its area, if the municipality is a district municipality; (iii) the relevant provincial treasury, and when requested, the National Treasury; and (iv) any national or provincial organs of state, as may be prescribed; and (e) provide, on request, any information relating to the budget— (i) to the National Treasury; and (ii) subject to any limitations that may be prescribed, to— (aa) the national departments responsible for water, sanitation, electricity and any other service as may be prescribed; (bb) any other national and provincial organ of states, as may be prescribed; and (cc) another municipality affected by the budget.

Publication of annual budgets

22. Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must—

- (a) in accordance with Chapter 4 of the Municipal Systems Act— (i) make public the annual budget and the documents referred to in section 17(3); and (ii) invite the local community to submit representations in connection with the budget; and (b) submit the annual budget— (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

Approval of annual budgets

24. (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget—

- (a) must be approved before the start of the budget year; (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and (c) must be approved together with the adoption of resolutions as may be necessary— (i) imposing any municipal tax for the budget year; (ii) setting any municipal tariffs for the budget year; (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget; (iv) approving any changes to the municipality's integrated development plan; and (v) approving any changes to the municipality's budget-related policies. (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury



EC138 Sakhisizwe - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	-	-	-	-	6 232	6 232	6 232	6 581	6 976	7 394
Service charges	-	-	-	-	8 124	8 124	8 124	8 579	9 094	9 639
Investment revenue	-	-	-	-	600	600	600	634	672	712
Transfers recognised - operational	-	-	-	-	66 645	66 645	66 645	68 622	72 740	77 104
Other own revenue	-	-	-	-	14 566	14 566	14 566	15 382	16 305	17 283
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	96 167	96 167	96 167	99 798	105 786	112 133
Employee costs	-	-	-	-	40 659	40 659	40 659	42 936	45 512	48 243
Remuneration of councillors	-	-	-	-	7 002	7 002	7 002	7 394	7 838	8 308
Depreciation & asset impairment	-	-	-	-	6 730	6 730	6 730	7 106	7 533	7 985
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	15 890	15 890	15 890	16 779	17 786	18 853
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	23 391	23 391	23 391	24 701	26 183	27 754
Total Expenditure	-	-	-	-	93 671	93 671	93 671	98 916	104 851	111 143
Surplus/(Deficit)	-	-	-	-	2 496	2 496	2 496	882	934	991
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	17 016	17 016	17 016	18 817	19 946	21 142
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	17 016	17 016	17 016	18 817	19 946	21 142
Transfers recognised - capital	-	-	-	-	17 016	17 016	17 016	18 817	19 946	21 142
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	17 016	17 016	17 016	18 817	19 946	21 142
Financial position										
Total current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	-	-	-

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EXPOSITION OF FACTS

The annual budget approved by council in May 2018, the municipality approved the budget with the deficit of more R 15 million which means the expenditure budgeted and the projections are above the expected income or revenue projections. This matter was corrected by budget adjustment and further the municipality has dropped down the expenditure and the revenue is also under collected.

Revenue Management

SLM budget adjustment for revenue management has included the assessment of different revenue strings, Property rates has been adjusted increase and the adjustment of Prepaid Electricity revenue as a result of increase in collection of prepaid electricity during the first six months of 2018/19 annual financial year.

National Treasury is encouraging municipalities including SLM to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.

The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, SLM is required to *justify all increases in excess of the projected inflation target for 2019/20 in their budget narratives*, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative. SLM is also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills.

SLM can offset these trends by improving own revenue collection, as the SLM council has approval that the debt collector be appointed to assist in the process and working more efficiently and implementing cost containment measures, which were also approved in December 2018.

Addressing bloated organizational structures that have been observed to contribute towards this problem warrants decisive action across all departments with Sakhisizwe.

3.1 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) published their new multi-year price determination for the period from 2019/20 to 2021/22 on 7 March 2019, NOTE THAT NERSA HAS NOT PUBLISHED THAT.

NERSA will shortly publish their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2019/20 financial year". Municipalities are encouraged to download the full guideline document when it becomes available (at www.nersa.org.za) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It will set out proposed timeframes for the approval of municipal tariffs.

MFMA Circular No. 94

Municipal Budget Circular for the 2019/20 MTREF 08 March 2019 Page 7 of 15

SLM is required to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that we work towards achieving fully cost-reflective tariffs that will help SLM to achieve financial sustainability.

The 2019 Budget Review notes that, the NERSA tariff increases would be announced after the equitable share allocations had been calculated and tabled in the Division of Revenue Bill. In the absence of approved tariff increases for the period ahead, the equitable share formula allocations were calculated using the previously approved Multi-Year Price Determination of an 8 per cent annual



bulk price increase for electricity in its calculations. If the approved tariff increases are higher than this, the equitable share allocations will not be increased in 2019/20.



EC138 Sakhisizwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	6 232	6 232	6 232	6 581	6 976	7 394
Service charges - electricity revenue	2	-	-	-	-	7 097	7 097	7 097	7 495	7 945	8 421
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	1 027	1 027	1 027	1 084	1 149	1 218
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment						2 126	2 126	2 126	2 245	2 380	2 522
Interest earned - external investments						600	600	600	634	672	712
Interest earned - outstanding debtors						5 190	5 190	5 190	5 480	5 809	6 158
Dividends received						-	-	-	-	-	-
Fines, penalties and forfeits						2 001	2 001	2 001	2 113	2 239	2 374
Licences and permits						-	-	-	-	-	-
Agency services						-	-	-	-	-	-
Transfers and subsidies						66 645	66 645	66 645	68 622	72 740	77 104
Other revenue	2	-	-	-	-	5 250	5 250	5 250	5 544	5 877	6 230
Gains on disposal of PPE						-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	96 167	96 167	96 167	99 798	105 786	112 133

Expenditure Management

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the asset consumption rate. Budget appropriations in this regard total approximately R 7.1 million for the 2019/20 financial year.

SLM draft budget for 2019/20 has taken into consideration of the cost cutting measures which were approved in December 2018 and implemented by the municipal council and as such the general expenditure of SLM has been dropped or reduced down in order to ensure that SLM budget is funded. SLM has budgeted a total provisions amounting of R 9, 218, which is made up of an increased depreciation to R 7, 1 million, from R6, 7 of 2018/19 budget.



Operating Expenditure Framework

The SLM expenditure framework for the 2019/20 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing, uncommitted, cash-backed reserves to fund any deficit.

Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA. Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure)

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA 4 below in this document. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipal budget. The salary and benefits increase of 6.7% has been provided in the 2019/20 financial year. As part of cost cutting measures SLM has an intention/plans to drop down the expenditure on employee costs and SLM is in a process of reviewing the SLM organogram.

The increase of salaries and wages base on the CPI index of 5.2 percent and an additional increase of 1.5 percent on top of the CPI index to make a total increase of 6, 7 percent, the calculations has taken in consideration the intention of SLM to reduce the high increase of payroll and salary costs in 2018/19 financial year. SLM has budgeted a total remuneration of R 50, 330 million on employee costs which is made up R 42, 9 million of employee costs and R7, 394 of councillors' allowances.

The **provision of debt impairment** was determined based on an annual collection rate which is below 50 % and the principles as set out in the Provision for Doubtful Debt and Debt Write-off Policy (policies will be reviewed during April 2019) amounting to R2, 112 million of debt impairment.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. SLM has budgeted a total amount of R 12, 4 million of bulk purchases of electricity.

Repairs and Maintenance comprise of, amongst others, the purchase of materials for maintenance and the appointment of external contractors to perform maintenance works. In line with the SLM's repairs and maintenance plan in draft stage this type of expenditure has been prioritised to ensure sustainability of the SLM's infrastructure. The budget allocation is below 8 percent as prescribed by National Treasury requirements and the allocation is at 4 percent, this is due to cash flow challenges of SLM.

The asset renewal and the repairs and maintenance requirements as identified in the backlog study that was conducted in 2016/17. SLM has budgeted a total of R4, 20 million on repairs and maintenance, which constitute 4.28 percent of total operation expenditure, R1, 246 million will fleet repairs and maintenance of municipal plant –yellow fleet and R 1, 056 million for repairs of electricity network and R1, 6 million for roads repairs and maintenance.

1.5.2 Free Basic Services: Basic Social Services Package

Council renders free basic services (FBS) to residents, and services grants based on certain conditions. FBS imply the service is rendered for free to residents. The cost of FBS is regarded as "Income Forgone" and the cost is deducted from the income of the relevant service. In other words, it would have been income but Council opted not to charge residents for the service rendered.





Various grants or rebates are allocated to residents based on their specific socio-economic circumstances. Such grants and rebates are only supplied if the terms and conditions are adhered to. As these grants or rebates are not applicable to all residents, it is not treated like FBS (and subsequently deducted from the income budget), but is recorded in the budget as a grant expenditure item in the expenditure of the budget.

The total cost of FBS and grants and subsidies as budgeted in 2019/20 amounts to R2.027 million. Cognisance must be taken that in the SLM has adjusted the budget of 2018/19 on free basic electricity and as such the base line for the budget of electricity has been calculated on the bases of performance and cost of free basic electricity adjusted in the adjustment budget for 2018/19.

Electricity supply to all Tariff users is heavily subsidised and sold below cost to residents. The Council's Indigent Policy will also be reviewed like all other budget related policies in April and May as per our budget process plan.

1.6 Capital expenditure - A5 Capex

The Capital Investment Framework (CIF) is a legislative requirement of the Municipal Systems Act, as per Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001; and fulfils the functions of a Capital Expenditure Framework as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. The CIF is a component of the council approved Built Environment Performance Plan (BEPP) and incorporates elements from the Growth and Development Strategy (GDS), Integrated Development Plan (IDP), and the Municipal Spatial Development Framework (CSDf). (The function of the CIF is spatially and strategically influence, guide and prioritize the allocation of the municipal capital budget in a coordinated manner across all sectors. The objectives of the CIF are implemented through institutionalization of the Capital Prioritisation Model (CPM) Capital Prioritisation Model is a tool which provides a way to sort a diverse set of items / projects into an order of importance.

It also identifies their relative importance by deriving a numerical value for the priority of each item / project. The model provides a means for ranking projects (or project requests) based on criteria that are the most important to focus on first in terms of meeting the Municipal's overarching developmental objectives and strategies.

This also assists in promoting coordinated and aligned departmental planning and budgeting. **(most of those documents listed above are not done and available at Sakhisizwe Municipality)** and as such we don't have a clear approach in performing the capital budget in this draft budget, but in future those documents will be develop to form bases of capital budget, SLM has a challenges of project prioritisation and most project were not completed in past financial years, this includes other roads projects and electrification projects as a result of number of challenges including, financial problems affecting SLM

Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. The CPM Manual identified a three-tier approach to project prioritisation for the budget evaluation process and this includes capital budget evaluation.

The DNE allocation has not be included as at the time of complying the documents, the figures of DNE were not included in DORA, and a such we will





include the DNE figures in the final budget a grant of R 6 million, as per provincial gazette, together with a list of prioritised including MIG, but such challenges will be corrected in the final budget. Below is the A5 Capex, which only include MIG only.

The capital programme is aligned to the asset renewal needs and backlog, eradication goals, the prioritisation of capital needs should be based on the Capital Investment Framework.

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A5 Capex

[illegible]

[illegible]





Waste management <i>Other</i>											
Total Capital Expenditure - Functional	3	-	-	-	-	016 17	016 17	016 17	18 817	19 946	21 142
<u>Funded by:</u> National Government Provincial Government District Municipality Other transfers and grants											
						016 17	016 17	016 17	18 817	19 946	21 142
Transfers recognised – capital	4	-	-	-	-	016 17	016 17	016 17	18 817	19 946	21 142
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	-	-	-	-	016 17	016 17	016 17	18 817	19 946	21 142



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Explanatory notes to MBRR Table A6 - Budgeted Financial Position

1. Table MBRR A6 will be completed before final budget is submitted, as it is consistent with international standards of good financial management practice, and improves councillors' and management's understanding of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash, appear first.
3. Table SA3 – will be completed before final budget is submitted supporting detail to the statement of financial position is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 1. Call investments deposits.
 2. Consumer debtors.
 3. Property, plant and equipment.
 4. Trade and other payables.
 5. Provisions non-current.
 6. Changes in net assets.
 7. Reserves.
4. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the budgeted financial performance or the Capital Budget will inevitably impact on the budgeted financial position. For example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year-end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Explanatory notes to MBRR Table A7 - Budgeted Cash Flow Statement TO BE COMPLETED

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.





3. It can be seen that the SLM's cash levels are problematic
4. The cash and cash equivalents increase will be accomplished because we target to have a healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive, which the municipality as appointed the debt collector to assist to improve collection.
5. The 2019/20 draft MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents are expected to improve during 2019/20. The improvement is in line with the SLM's aim to achieve a one to three-months operating expenses coverage with its available cash and cash equivalents balances in the near future. The municipality is targeting to have healthy net cash inflow from its operating activities. The intention is to have cash inflows (inflows from ratepayers, etc.) generated from operating activities substantially exceeds the cash outflows (outflows to suppliers, employees etc.)



EC138 Sakhisizwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Expenditure By Type											
Employee related costs	2	-	-	-	-	40 659	40 659	40 659	42 936	45 512	48 243
Remuneration of councillors						7 002	7 002	7 002	7 394	7 838	8 308
Debt impairment	3					2 000	2 000	2 000	2 112	2 239	2 373
Depreciation & asset impairment	2	-	-	-	-	6 730	6 730	6 730	7 106	7 533	7 985
Finance charges											
Bulk purchases	2	-	-	-	-	11 831	11 831	11 831	12 494	13 243	14 038
Other materials	8					4 059	4 059	4 059	4 286	4 543	4 816
Contracted services		-	-	-	-	1 834	1 834	1 834	1 937	2 053	2 176
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	19 557	19 557	19 557	20 652	21 891	23 205
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	93 671	93 671	93 671	98 916	104 851	111 143
Surplus/(Deficit)		-	-	-	-	2 496	2 496	2 496	882	934	991
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						17 016	17 016	17 016	18 817	19 946	21 142
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	19 513	19 513	19 513	19 698	20 880	22 133



EC138 Sakhisizwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	21 397	21 397	22 596	23 951	25 388
Vote 2 - BUDGET AND TREASURY		-	-	-	-	27 980	27 980	29 547	31 320	33 199
Vote 3 - CORPORATE SERVICES		-	-	-	-	12 605	12 605	13 311	14 110	14 957
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	2 382	2 382	2 516	2 667	2 827
Vote 5 - TECHNICAL SERVICES		-	-	-	-	37 775	37 775	37 902	40 176	42 587
Vote 6 - COMMUNITY SERVICES		-	-	-	-	14 449	14 449	17 157	18 186	19 278
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	116 589	116 589	123 029	130 410	138 235
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	21 397	21 397	22 596	23 951	25 388
Vote 2 - BUDGET AND TREASURY		-	-	-	-	13 468	13 468	14 222	15 075	15 980
Vote 3 - CORPORATE SERVICES		-	-	-	-	12 394	12 394	13 088	13 873	14 706
Vote 4 - PLANNING & DEVELOPMENT		-	-	-	-	2 382	2 382	2 516	2 667	2 827
Vote 5 - TECHNICAL SERVICES		-	-	-	-	29 673	29 673	31 335	33 215	35 208
Vote 6 - COMMUNITY SERVICES		-	-	-	-	17 762	17 762	18 757	19 882	21 075
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	97 077	97 077	102 513	108 664	115 184
Surplus/(Deficit) for the year	2	-	-	-	-	19 513	19 513	20 516	21 747	23 051

"SUSTAINABILITY THROUGH UNITY"



2.1 Overview of the annual budget process

Section 53 of the MFMA requires the SLM's mayor to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the SLM's mayor must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in Section 53 of the Act.

Budget Steering Committee

The Budget Steering Committee was set up by the Mayor in terms of Section 4 of the Municipal Budget and Reporting Regulations. The Budget Steering Committee is chaired by the MMC Finance and the following Members of Executive Committee are members:

- MMC for Infrastructure Services
- MMC for Community Services
- MMC for IPED
- MMC for Corporate Services and BTO

The primary aims of the Budget Steering Committee are to ensure:

- A. That the process followed to compile the budget complies with legislation and good budget practices.
- B. That there is proper alignment between the policy and service delivery priorities
- C. Set out in the SLM's IDP and the budget, taking into account the need to protect the financial sustainability of municipality.
- D. That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available.
- E. That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

The key deadlines for the compilation of the IDP and MTREF was submitted to Council for approval August 2018 as required by Section 21(b) of the MFMA. In terms of the schedule, the 2019/20 MTREF will be tabled in Council in March 2019 and the final budget be tabled in May 2019 for adoption.

Starting from the 2019/20 financial year, National Treasury requires municipalities to **compile their budgets directly from their financial systems and extract their monthly budget statements (Schedules B and C) directly from the systems in compliance with the mSCOA requirements.**

The budget data strings that come directly from the system must also be generated. This process ensures that there is perfect alignment amongst the approved budget, the budget submitted to National Treasury, the data strings and the monthly budget statements.

The challenge with this new system is that it takes too long to upload data, almost 12 hours, it does not generate "all Schedule A" National Treasury tables (**some tables have to be compiled manually**) and in some instances generates incorrect reports that also need further corrections. General mSCOA has not been fully implemented at Sakhisizwe Municipality. Also, too much reliance is placed on the service provider with the support, and as such we will submit the data strings be **submitted late before 12 April 2019**, as we are still busy with the process.

The departments received budget compilation guidelines on the 12th October 2018 detailing the process to be followed when capturing their Operating and Capital Budgets request on the Budget Management Tool. The Heads of Departments were requested to approve their budget on the



financial system by the 2nd November 2018. From these submissions that draft budget was extracted that went through the Budget Steering Committee for refinement and finalisation. Council adopted an approach that each ward was to identify its key/top priorities for inclusion in the IDP for the term. The first round of engagements with communities was conducted in October 2018.

These priorities are reviewed annually in accordance with section 34 of the MSA, 32 of 2000. In September 2018, ward councillors were requested to coordinate and facilitate their respective ward meetings; for the purpose of collating and confirming these key/top ward priorities. Consolidated needs were then forwarded to departments for consideration during budgeting process. Further details on community engagements and extent to which the identified needs are being responded to be contained.

The IDP Office engaged with each department between December 2018 and January 2019. This consisted of one-on-one engagement with departments to discuss the SDBIP and to finalise indicators and targets (but **this matter was not completed and as such we don't have a draft SDBIP and procurement plan**). The process will also ensure that departmental outputs are aligned with national outcomes and the GDS.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP is the SLM principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The whole process was structured around supporting and working towards contributing to the achievement of the programmes set in the GDS 2055. In terms of Section 34 of the Municipal Systems Act, 32 of 2000, the Council must annually review its IDP in terms of a predetermined process. The review of the IDP in terms of the Municipal Systems Act is guided and informed by the following:

1. It must support and work towards achieving the vision and mission of Sakhisizwe Municipality.
2. Working towards the achievement GDS 2055 programmes.
3. Addressing the national outcomes set by Parliament.
4. Focus on basic service delivery in terms of the eradication of backlogs and the maintenance of existing infrastructure and community needs.
5. Provincial plans and programmes applicable to the specific budget allocations by the respective provincial sector departments to these projects should also be reflected as far as possible.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, financial modelling was undertaken to ensure affordability and long-term financial sustainability.

The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

1. SLM growth.
2. Policy priorities and strategic objectives.
3. Asset maintenance.
4. Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns).
5. Performance trends.
6. The approved 2018/19 adjustments budget and performance against the SDBIP.
7. Cash Flow Management Plan.
8. Debtor payment levels.
9. Investment possibilities.
10. The need for tariff increases versus the ability of the community to pay for services.



2.1.4 Community Consultation

Section 29 (1) (b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Municipal Systems Act, 2000; must allow for communities to be consulted on their development needs and priorities; and that the local community to participate in drafting of the IDP.

SLM has adopted the Ward Committees system which has been designed to assist Ward Councillors with the facilitation and coordination of engagements between the municipality and its communities. Consultation meetings were held late in all the wards and SLM was engaged in order to reprioritize and/or confirm ward priority needs identified during 2018/2019.

The focus of the meetings was as follows:

1. Basic feedback on the past IDP / Budget Process – comments and process;
2. Discussion and consideration of the ward Priorities emanating 2018/19 IDP process
3. Signing off and submission of community needs per ward.

2019/20 Medium Term Revenue & Expenditure Framework

SLM objectives is to increase the cash inflow and established municipal investments available from 2019/20 which includes the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

1. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions meaning revenue is only recognised when the conditions are met. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national and provincial revenue fund at the end of the financial year. In the past unspent funds had been allowed to be 'rolled-over' and be spent in the next financial year, but with the priorities the practise is slowly phasing away therefore there is not guarantee to retain unspent conditional.
2. The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenges is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. The underperformance in relation to collections has place upward pressure on the ability of the SLM to meet its creditor obligations.

Figure 5 Cash and cash equivalents / Cash-backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against 14 different measures that look at various aspects of the financial health of the municipality. These measures are contained and will be considered in the final budget. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows.

The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed in the final budget.

Table 47 MBRR SA10 – Funding compliance measurement SLM Supporting Table SA10 Funding measurement

2.6.5.1 Cash/cash equivalent position



The Municipal forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF, would generally be a minimum requirement, subject to the planned application of these funds such as cash backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the Medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA, which deals with the repayment of short-term debt at the end of the financial year.

Submitting budget documentation and schedules for 2019/20 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

1. Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2019, the final date of submission of the electronic budget documents and corresponding data strings is **Wednesday, 03 April 2019**. The deadline for submission of hard copies including council resolution is **Friday, 05 April 2019**.
2. Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 May 2019, the final date for such a submission is **Friday, 11 June 2019**, otherwise an earlier date applies.
3. The municipal manager must submit: the budget documentation as set out in Schedule A (version 6.3) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (**SA1 – SA38 to be submitted with final budget**) in both printed and electronic formats; the draft Service Delivery and Budget Implementation Plan **to be submitted before end of May 2019** (SDBIP) in both printed and electronic format; the draft Integrated Development Plan (IDP); procurement Plan (**to be submitted before end of May 2019**) ; the council resolution; signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; the budget locking certificate.

1.6 Financial Management Policies

The municipality has developed all its required statutory policies and they are being implemented.

a) General Financial Philosophy

The financial policy of the Sakhisizwe Local Municipality is to provide sound, secure and fraud free management of financial services. The Budget and Finance Office has the following objectives:

- Implementation of LG MFMA
- Implementation of the LG Municipal Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Maintaining the Supply Chain Management Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain the Financial Viability of the Municipality
- To work towards an Unqualified Audit Report



Herewith the list of the current budget and financial related policies of Sakhisizwe Municipality:

- Budget Policy
- Corruption and Fraud Policy
- Credit Control and Debt Collection Policy
- Bad Debt Write Off Policy
- Asset Management Policy
- Indigent Policy
- Cash & Investment Management Policy
- Rates Policy
- Tariff Policy
- Information Technology Policy
- Supply Chain Management Policy
- Interest Reversal Policy
- Loans Policy
- Unforeseen & Unavoidable Expenditure Policy
- Administration of Immoveable Property Policy
- Long term financial plan
- MFMA Delegations Policy

b) Budget Policy

The aim of the policy is to set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as the responsibilities of the chief financial officer in compiling such budget.

c) Tariff Policy

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

d) Rates Policy

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the LG Municipal Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- It is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

e) Indigent Support Policy



The objective of Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedure and guidelines for subsidization of basic provisions received from Central Government, according to prescribed Policy guidelines.

The Council also recognizes that there may be residents simply not able to afford the cost of full provision and for this reason the Council will endeavor to ensure affordability through:

- Settings tariffs in terms of the Council Tariff Policy; which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

f) Credit Control & Debt Collection Policy

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

g) Supply Chain Management Policy

The objective of this policy is to provide a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly SA campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management.

A paraphrase of the relevant provisions of the foregoing statutes is annexed to this policy.

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

The following committees exist for the execution of supply chain:

- Bid specification committee
- Bid evaluation committee
- Bid Adjudication committee

The turnover rate for procurement are 14 days for goods, 7 days for goods and services between R30 000 and R200 000 and 30 – 60 days for amounts above R200 000.

The Municipality does have an effective contract management system in place as part of the Supply Chain Management Unit



h) Accounting Policies

Sakhisizwe Local Municipality has submitted its Annual Financial Statements in time to the Auditor General for the financial year ending June 2015. The municipality moved out of qualified opinion to an unqualified opinion for the financial year ending June 2015. The municipality is striving towards clean audit reports.

3.3 NKPA-LOCAL ECONOMIC AND SPATIAL DEVELOPMENT

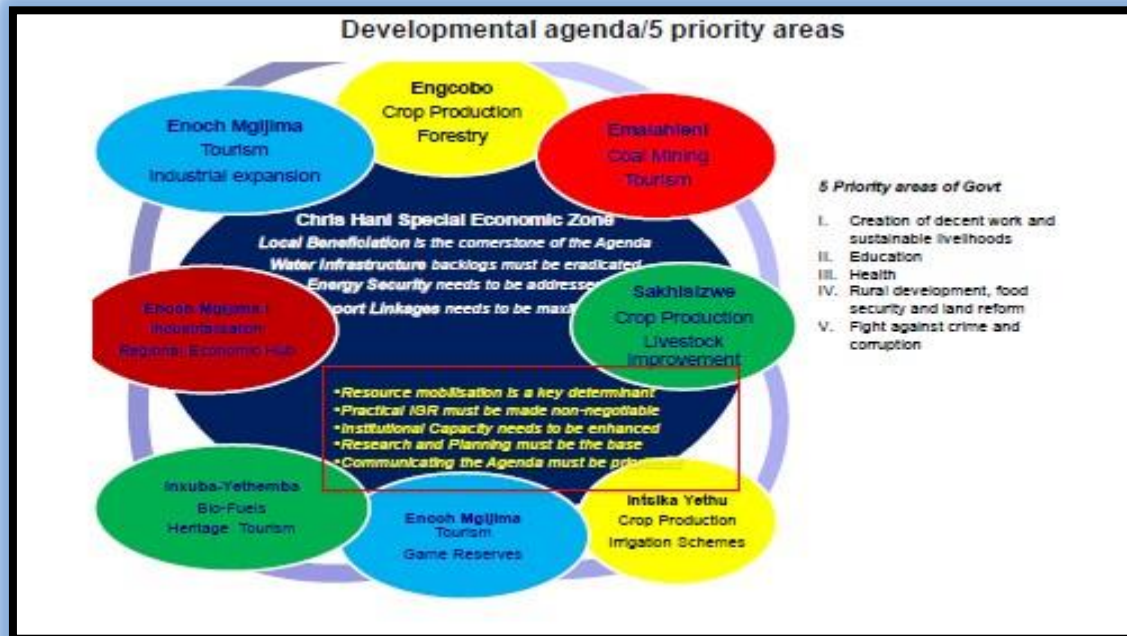
3.3.1 INTRODUCTION

The council adopted its current LED strategy in July 2011 and has reviewed the strategy in 2018/19. It is noted that there is still a huge need to develop a new strategy that will focus on the detailed assessment of area in the context of economic growth and development. In the strategy the municipality sees its role in economic development as primarily to create conducive environment for investment attraction and leveraging of efforts for sustained growth and poverty alleviation.



Sakhisizwe, the main Economic Sectors are Community services, agriculture, and trade. The municipality has vast land for agriculture and livestock that can be used to grow the economy and create employment.

Sakhisizwe municipality derives its mandate from a number of pieces of legislation and frameworks that have been developed from other spheres of government while responding to the developmental needs of the area. The figure below illustrates how the municipal LED links to the district developmental agenda.



The developmental agenda identifies the following priorities in Sakhisizwe:

- Crop Production and
- Livestock Improvement

3.3.2 SAKHISIZWE MUNICIPALITY COMPETITIVE ADVANTAGE

In order to identify the competitive advantage of each segment, the structure of the local economy must be understood.

This is best done by conducting a comparative analysis of local municipalities within the CHDM in order to determine whether the local municipality's economy is relatively specialized. The documents collected from the CHDM, (especially the Competitive Assessment and Training Support Project - Programme of Support to LED in Eastern Cape, 2005) and the LMs were analysed and reflected the following.

The Municipality lies at the foothills of the Drakensberg and the natural environment is the basis for the rural economy through tourism and agriculture. As such, any development strategies need to ensure that environmental integrity is not compromised. Challenges include high unemployment and reliance on public sector employment, poverty, slow economic growth, and the duplication of basic social services and infrastructure provision to two nodes resulting in the Municipality being financially stretched.

Agricultural limitations include shallow soils, low rainfall, temperature variation and lack of irrigation water, as well as lack of security on farms due to armed robbery, stock theft and murder. Agriculture is the second largest contributor to employment and GVA and there is growth in small businesses



(mainly in the retail and service sector) in Cala, yet Khowa is noted as having a declining business sector. Mondi has established in the area, having bought out many farms and planted them to timber, although their regional offices and staff are housed in neighbouring Ugie (Elundini).

KEY ELEMENTS OF MUNICIPAL COMPETITIVE ADVANTAGE

Infrastructure and Services

Sakhisizwe's Communications (transport and telecommunications) infrastructure is modest, with operational rail facilities and an air transport facility, limited road surfacing (11.63%) and a low percentage (24.52%) of direct access to telephones. Sakhisizwe is fairly close to Umtata but is a considerable distance from the Provincial secondary economy of East London and Port Elizabeth.

On Quality of Life, Sakhisizwe reflects poor access to health (71.6%) and education facilities (95%) are relatively high. Access to sanitation (31.8%), particularly municipal flush toilet is low and concentrated in the urban centres. Access to adequate shelter is moderate, while access to water (77.1%) and electricity (74.4%) is substantially higher than Provincial and District average.

Institutional Environment

Sakhisizwe is largely rural, with an urbanisation rate of only 27.83% and the majority of people living on tribal land, although the majority (65.04%) of all households own their properties.

The local economy is highly concentrated, dominated by the Community Services sector in terms of both GVA (5%) and employment (31%). The cost of doing business in the area is relatively high principally on the basis of transaction costs arising through distance, and travel time, to a major economic centre and considering the absence of a Telkom service branch in the area. Expenditure on transport, communication and finance is slightly more favourable than the Provincial average while access to institutional and financial support institutions is limited.

Economic Indicators

Sakhisizwe has a youthful population, with over half (53%) of the population aged under 20 years, and claims higher than Provincial and District average rates of unemployment (60.4%), dependency (3.89), poverty (84.66%) and households receiving less than R1500 per month (75.9%) but only 51.3% of households receive social grant. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (1.35%) compared to its share of the Provincial population (1.10%).

In terms of **Economic Performance**, Sakhisizwe Local Municipality is divided into seven wards with bulk of population residing in the extensively rural wards that encompasses the two urban centres of Cala and Khowa.

On the **Sector Performance** the greatest contributor to the GGP is the community and social services sector which employs 31% of the workforce. Private households and Agricultural sectors employ 21% and 17% respectively. Besides these two the following are the key drivers of the local municipality: cultural tourism, construction, transport and storage, and finance and insurance.

COMPARATIVE ADVANTAGE

The local economy claims a comparative advantage, for both GDP and employment, in Community Services (dominated by Education at 25.90% GVA and 31% employment) and Agriculture (dominated by the Agriculture and Hunting sub-sector at 4.63% GVA and 17% employment). A further GDP advantage is reflected for Trade, dominated by the Retail sub-sector (22.70%), while employment advantages are evidenced for Households (21%).

The Municipality claims a range of leading products, including sheep, goats, cattle, sunflowers and maize. Forestry and tourism are important sectors. Additional products identified as sustainable include a full range of grain, nuts, fruit and vegetables, as well as fodder and processed meat.

Land is identified as suitable for forestry and as under-utilised, presenting high potential for further agricultural development, particularly for dry land maize, potatoes and beans as well as irrigated maize. Potential exists for local production and marketing of vegetables, while high grazing potential



favours livestock farming. Sakhisizwe falls within the “Friendly N6” tourism region and is closely tied to the Maloti (Lesotho) Route, geared at tourism opportunities around the theme of Xhosa culture, while the landscape of the area is identified as an opportunity for game and eco-tourism.

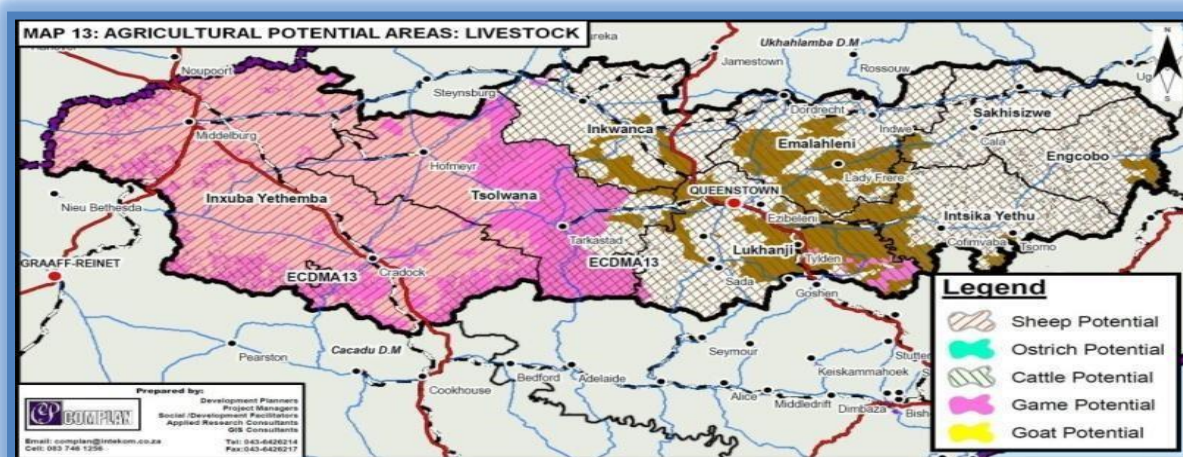
3.3.3 LOCAL ECONOMIC DEVELOPMENT (LED) SECTORS

Agriculture remains one of the key potential growth sectors in the economy of the District.

Livestock Production

Livestock farming is an important source of income for both commercial and communal farming in Eastern Cape. In the Eastern Cape, there are about 3 million strong cattle held in the Eastern Cape in 2007, accounting for over 22% of the total cattle in South Africa and majority of this (1.9 million head) was owned by 150 000 families living in the communal areas of the province.

Sheep and goat production is found throughout South Africa. The contribution to the total sheep numbers (both wool and non-wool) in 2007 of the provinces were as follows: Eastern Cape (30%), Northern Cape (25%), Free State (20%), Western Cape (11%), Mpumalanga (7%) and the rest (7%). In terms of goats, the contribution to the total goat numbers in 2007 was as follows: Eastern Cape (40%), Northern Cape (8%), Limpopo (17%), KZN (14%), North West (12%) and the rest (9%). Therefore, Eastern Cape has the largest number of sheep and goats in the country.



In the CHDM, the following tables have been identified as livestock numbers and livestock potential areas within the district.

CHDM Estimated Livestock Numbers (Head)

Municipality	Cattle	%	Sheep	%	Goats	%	Total	%
Sakhisizwe	61 814	13.7	258 842	9.6	21 046	3.5	341 702	9.1

Source: CHDM Area Based Plan, 2009

Livestock Potential Areas

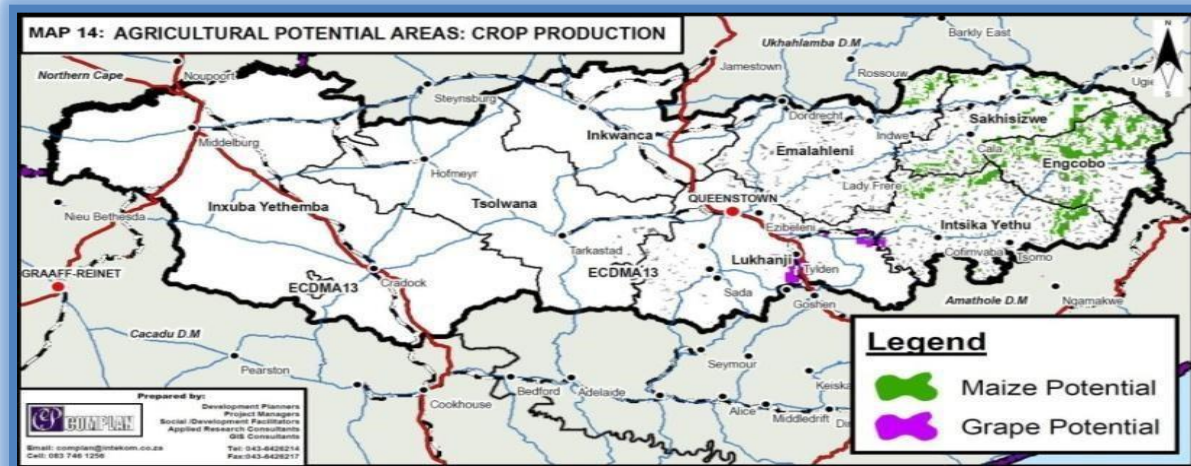
Municipality	Livestock Potential
Sakhisizwe	Beef cattle

Source: CHDM Area Based Plan, 2009



Additionally, there are ASGISA livestock projects dealing with livestock/heifers and bulls in Sakhisizwe and Engcobo LMs. These projects valued at R28 million covers 86 farms and 890 beneficiaries. These farmers are organized through four co-operatives, namely, Tsomo Valley, Umthombo, Cicira Ntungela and Ithemba Farmer Co-operatives

Crop Farming



Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The Department of Rural Development and Agrarian Reform (DRDAR) has prioritised these areas under the Massive Food Programme and the Siyazondla homestead food production programme.

The Siyazondla homestead food production programme assists with improving household food security. There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. In addition to these schemes there are several large scale commercial farming enterprise

Co-operative Support through **Rural Agro-Industries Finance Initiative (RAFI) Program** is a program that has been designed at maximising the commercial agricultural output and agroindustrialization in partnership with the government of Brazil. Out of the 200 hectares that are required by the project, 40 000 has been allocated to CHDM. This portion has been distributed amongst the 6 local municipality, depending on the quality of the required soil. Currently the project is still at conception stages and there are regular meetings on progress and status.

This future development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation schemes such as drip irrigation which ensure that water evaporation is minimised. In spite of this scenario there are vast areas of underutilised land within the existing schemes such as Shilo where only 40% of the scheme is currently utilised. CHDM and DRDAR have prioritised these irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focused towards attracting investors to run the schemes under private- public partnerships. It is for this reason that high value crop options and production methods such as hydroponics and bio-fuels are being investigated.

In addition funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting



and harvesting operations as well as equipment such as tractors, ploughs and trailers. However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred. Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.

There are ASGISA projects for the production of fruits in the District, namely, Intsika Yethu stone fruit project for peaches, plums and nectarines and Hota Mbewula fruit (peaches) project at Cala.

Agricultural Potential Areas (Crop Farming)

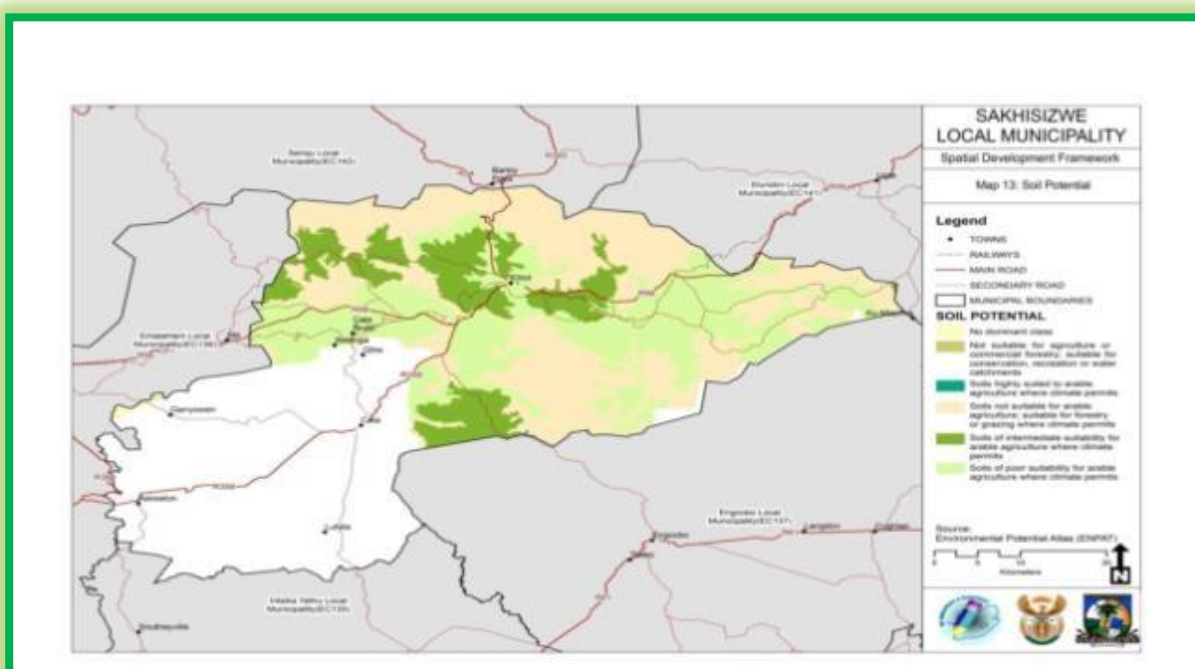
Local Municipality	Present Activities	Potential Crop	Potential fruit
Sakhisizwe	Maize, beans, pumpkins and Sorghum	Maize, sorghum, wheat, oats, barley, pumpkins, beans, sunflower and vegetables	Peach, Apple

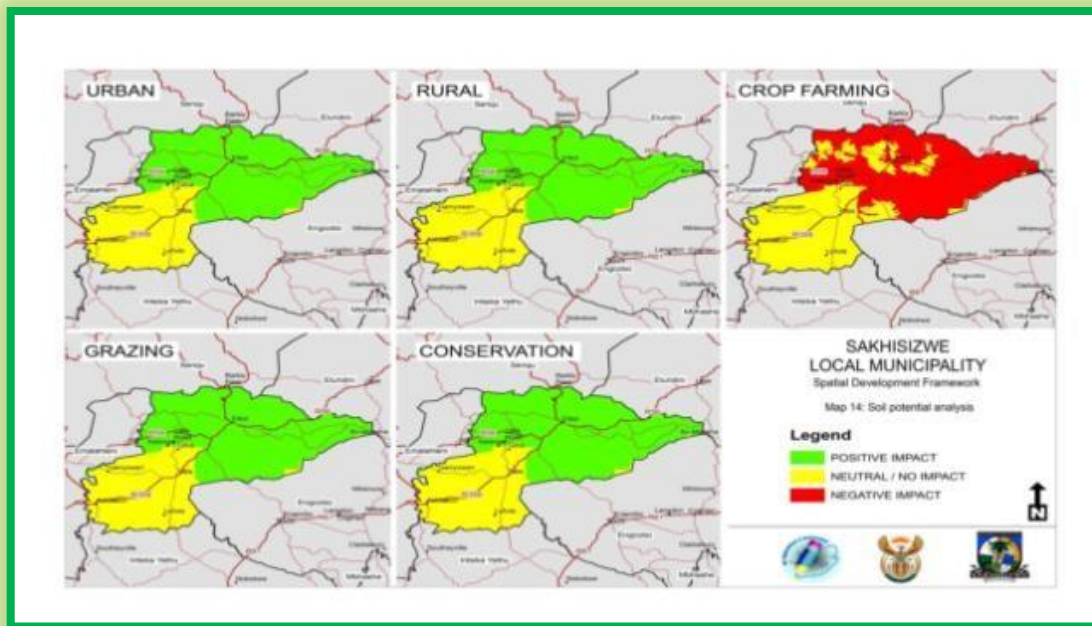
Source: CHDM CD (2007)

3.1.9 Agriculture

Sakhisizwe has high potential for agricultural produce but this potential is not yet fully explored. The municipality is also endowed with high fertility lands for crop growing. However, this potential remains unutilised in most parts of the municipality. According to the LED Strategy the municipal agriculture production is characterised by largely small communal farming units that produce specific crops individually and farming outputs and some few commercial farms in especially Khowa areas.

During the development of our adopted SDF, a detailed analysis of soils potentials was undertaken and the figures below illustrate where these potentials exist.





Approximately 40% of land in the Sakhisizwe municipality is arable lands. This land is currently occupied by a range of land uses including:

- Communal grazing
- Communal subsistence agricultural production which is largely led by individualised small pockets of gardens and ploughing fields. This is more prevalent in the former Transkei areas which remain largely rural and underdeveloped
- Commercial farming in especially the northern parts of Khowa
- Dispersed forestry activities with minimal commercialization (of largely blue wattle, pine and gum tree species).

Sakhisizwe is also characterised by livestock farming which again is largely communal. The main types of stock that is kept and bred is often goats, sheep and cattle. We have a large stock of goat population estimated by local agricultural extension officers at over 24000 while cattle and sheep is estimated to be around 18000 and 21000 respectively.

The average annual rainfall for the municipality ranges between 600 – 1000. The combination of the local soil conditions and high rainfall makes the land susceptible to erosion if development and land use activities are not properly managed.

The main sources of water for agriculture and other purposes are:

- Rivers
- Dams
- Borehole (underground)
- Reticulated grid (mainly for drinking water) linked to reservoirs which are located in various areas of Cala and Khowa.

Agricultural infrastructure is predominantly lacking in many areas of the municipality and especially those under communal lands. There is a need to lobby the departments of Agriculture as well as Rural Development and Land reform to prioritise funding of catalyst infrastructure projects to revitalize agricultural production in Sakhisizwe. The priority support and infrastructure necessary should include but not limited to:

- Training and capacitation of farmers (skills to operate agricultural enterprises and linkages to market)



- Provision of functional mechanical implements and machinery for production (irrigation equipment, tractors, ploughing tools, workshops for repair of machinery, stock dams, sales pans, feeding lots, stock medicines and other)
- Fencing of lands to mitigate damages caused by stray animals
- Security of assets
- Land purchases to promote and empower previously disadvantaged to become fully fledged commercial farmers
- Breeding stock (bulls, rams and other)

We estimate that if agricultural sector can be fully supported and capacitated, it can easily contribute over 30% of jobs in our local economy and would significantly improve its contribution to gross domestic product (GDP).

3.3.6.3 Forestry, Timber and Wood Products

The Chris Hani District Municipality is richly endowed with a number of forest plantation resources. Most of these forest plantations are found in Intsika Yethu and Engcobo Local Municipalities and are owned by the Department of Water Affairs and Forestry (DWAF). There are also some woodlots and few hectares of category A plantations (Pine stands) in Sakhisizwe Municipality. The local municipalities in CHDM within which the existing plantations are located are shown in Table 3.6 below

Distribution of Plantations within Local Municipalities in CHDM

LM	Ownership			
	Private	State	Community	Total
Sakhisiswe	9224	455		9679
Total	9224	7634	765	17623

Source: DWAF: Eastern Cape Forestry Sector Profile (2007)

The District is among the areas with high potential for new afforestation. Table 3.7 shows the new forestry potential in each of the local municipalities at 15% of the total suitable area in the District. The forestry potential is also shown in Map 15 below.

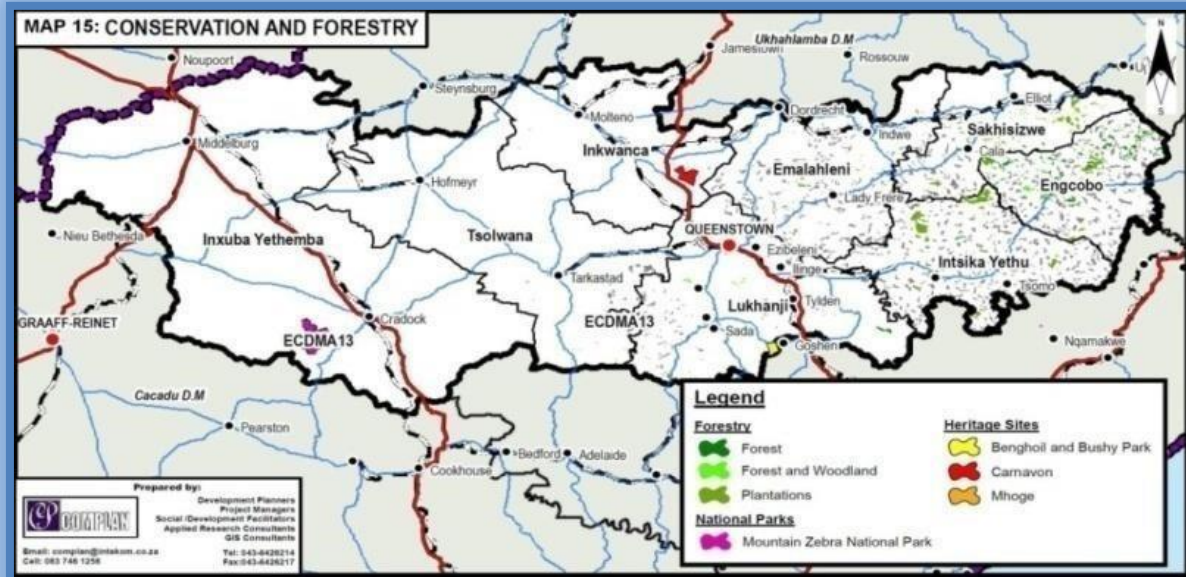
New Afforestation Potential within Local Municipalities in CHDM

LM	Forestry Potential (hectares)			
	Good	Moderate	Total	15% of land
Sakhisiswe	987	56494	57481	8622
Total	987	56494	57481	8622

Source: DWAF: Eastern Cape Forestry Sector Profile (2007)

Table 3.8: Natural Forests

LM	Extent (Hectares)
Emalahleni	1032
Engcobo	9199
Intsika Yethu	1893
Enoch Mgijima	991
Sakhisiswe	468
Total	48703



In terms of **timber processing** within the various municipalities in the CHDM, there are high number of small sawmills located in CHDM and the district accounts for 20% in the province, in which fewer than 14% of the Province's plantations are located. These small sawmills are mostly located in **Intsika Yethu local municipality** with **19 small sawmills**. **Charcoal manufacturing plant**, using gum and wattle as raw material is found in **Sakhisizwe local municipality**.

The forestry enterprises, activities and potentials within local municipalities in CHDM for economic development planning purposes are provided for four main municipalities with significant commercial forestry potential areas within their boundaries. **Table 3.11** present the Sakhisizwe summary of the extent of existing and potential forestry, and the numbers and scale of forestry activities. They also provide estimates of employment numbers and revenue generation within the plantations and existing wood processors in 2007.

Table 3.11: Summary of Sakhisizwe Municipality

Sector Segment	Number	Scale/Extent (ha, m3/a or t/a)	Employees	Revenue (Rm/a)
Commercial Plantations	1	9 224		23.3
Woodlot Plantations	2	455	188	0.1
Total Existing	3	9 679	188	23.4
Afforestation Potential - Moderate		56 494		
Afforestation Potential - Good		987		
Total Potential		57 481		
Total Plantation		67 160		
Natural Forests (Group)	468	0		
Sawmills - Large	0	0		
Sawmills - Medium	0	0		
Sawmills - Small	0	0		
Sawmills - Indigenous	0	0		
Chipboard	0	0		
Veneer	0	0		



Pole Treatment	0	0		
Charcoal	1	600		
Total Processing	1	600	15	0.1
Grand Total			203	23.5

Source: DWAF: Eastern Cape Forestry Sector Profile (2007)

The situational analysis of the forest plantations and woodlots in Chris Hani District Municipality revealed that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words means that these forests are operated at a loss. The quality that is produced is not good. In order to address these issues, the strategy with the following components was proposed:

- Proper management of forest plantations
- Value adding processes.

- Investment promotion
- Meaningful empowerment of communities
- Continued monitoring and evaluation of the process to address the problem areas.
- Capacitation of the existing small sawmillers

Despite the existence of raw material, land for afforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment, Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that they are key to economic development of the region.

The Wood Cluster programme was then developed out of this with the following:

- Anchor Projects: □ Sawmill project
 - Furniture factory
 - Pole treatment plant
 - Charcoal production
 - Tree nursery project
 - Afforestation programme

Agro-Processing

While the District's agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains. Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.

Tourism

The District has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities. The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R61 linking Queenstown with Mthatha and the Wild Coast.

As indicated earlier the region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services. The District has one national park (Mountain Zebra National Park), two nature reserves in Lukhanji and Tsolwana, two game reserves (Tsolwana, Lawrence De Lange) and private game reserves and game farms. There are also new establishments that include the promotion of heritage sites.



The friendly N6 provides an opportunity for tourism development as it links the wild coast and sunshine coast to the hinterland. In addition to this opportunity there are many Anglo-Boer War memorials, places related to struggle heroes and Bushmen paintings. The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the Great Karoo biosphere concept and creating linkages to the Madiba heritage route through the development of a Chris Hani Liberation Heritage route. A tourism centre will also be developed in Queenstown. These plans will be expressed in the local municipal tourism sector plans and the District tourism plan.

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Out of these, the Chris Hani Liberation heritage route has identified iconic sites and a booklet has been printed containing these sites.

Construction and Coal Mining

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the District mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

There is a **charcoal manufacturing plant** in **Sakhisizwe LM** which uses gum and wattle as raw material.

Manufacturing

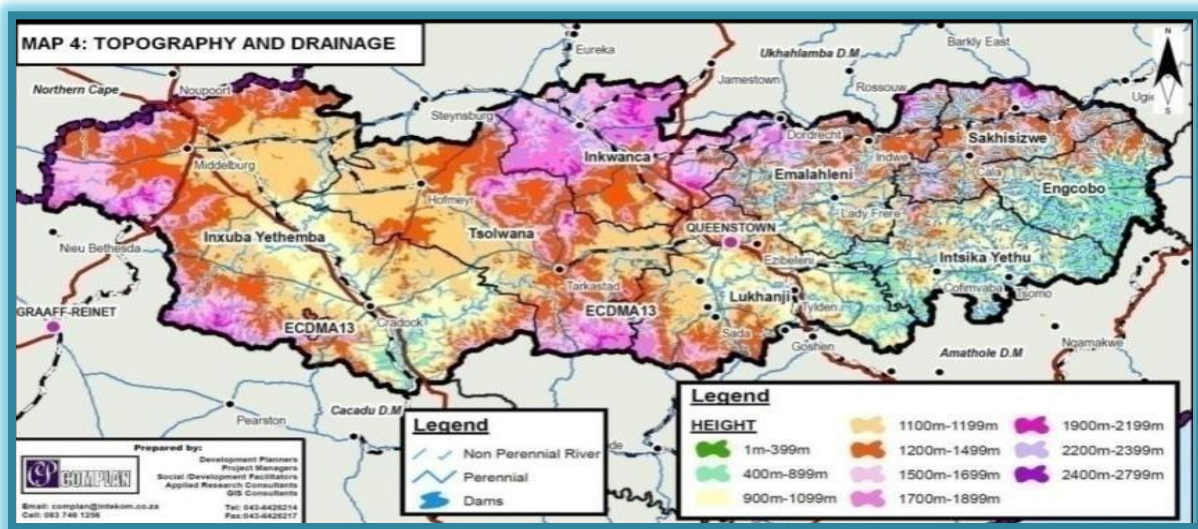
Manufacturing represents a small proportion of the CHDM economy at 8 % GGP and 5 % employment, though there is so much potential within the municipality.

Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majority of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM, especially the major centres.

3.3.4 CLIMATE CHANGE AND NATURAL ENVIRONMENT

Relief and Drainage





The District is part of **what is described as** gradual “step” topography. The “step” are formed by the Winterberg mountain range in the south and Stormberg range north of Sterkstroom.

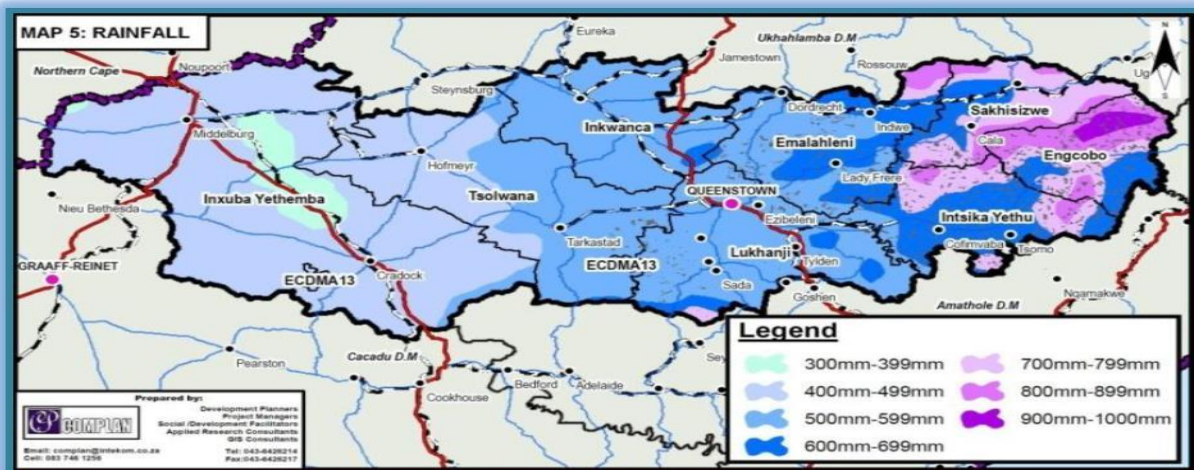
Temperature

The temperature is characterized by extremes. During the summer months the maximum temperature often exceeds 40°C in the lower lying areas in the western section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost is a common occurrence throughout the area. The average commencing date for frost in most of the areas is the 20th April and the average last date for frost is the 10th October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation in the temperature. The temperature in the eastern part of the District is a bit more moderate with most occurring from 21st May to 10th September.

Prevailing Winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

Rainfall



The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.

Rainfall distribution is poor and dry spells are a frequent occurrence. The rainfall of the former Transkei shows little variation and can therefore be classified as reliable. This variation of rainfall during the early summer months makes early planting of agronomic crops risky. It is a summer rainfall area with 70% -80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20-30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of Compassberg Winterberg.

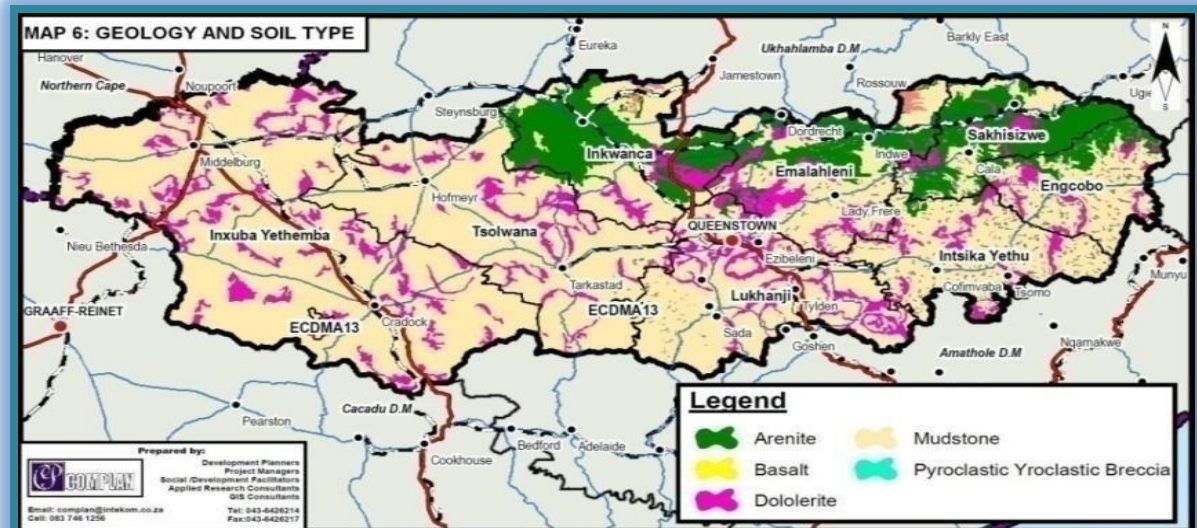
Further west, there will be poorer rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when “dry” spells can be expected, which makes the early planting of agronomic crops risky..



Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

Geology and Soils



The District consists mainly of Beaufort sediments intruded by dolerite. These comprise shale, mudstone and sandstone.

The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex, which are mostly not suitable for crop production. In the Fish River Valleys, however, deeper soils do occur. In the Fish River Valley, for example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.



Vegetation



About 50% of the entire area of CHDM is covered by South-eastern Mountain Grassland and Subarid Thorn Bushveld vegetation types. Eastern Mixed Nama Karoo, South-Eastern Mountain Grassland and Moist Upland Grassland also cover significant areas of the CHDM. A single layer of grasses dominates grasslands, however, the amount covers depends on rainfall and degree of grazing. The western section of Chris Hani District Municipality consists mostly of mixed Nama Karoo Veld whilst the eastern section consists mostly of moist upland grassland.

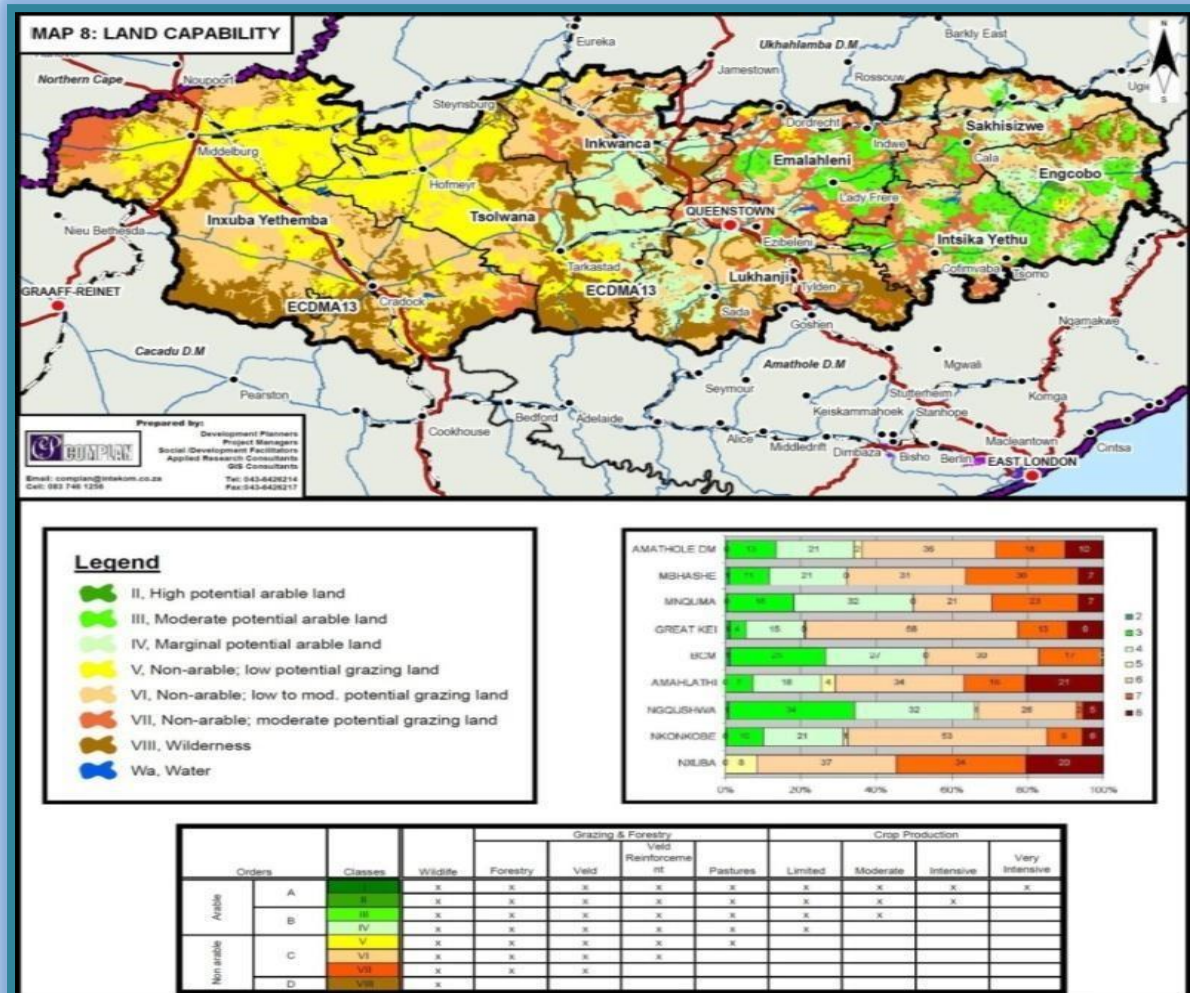
Existing Pressure on the Vegetation Types

South-Eastern Mountain Grassland	This sweet grassland type is important land owing to suitable winter grazing. However, injudicious, selective grazing can convert it to sourveld or result in the invasion of Karriod of Fynbos elements. The economic use for this vegetation type is mainly for grazing for sheep and cattle.
Subarid Thorn Bushveld	Fire and grazing are ecological processes within this vegetation type. This summer rainfall grassland is invaded by Sweet Thorn Acacia Karoo. The economic uses for this vegetation are mainly grazing.
Eastern Mixed Nama Karoo	The north east region of Eastern Mixed Nama Karoo is the only Karoo type in which fire is important in shaping the communities. This type has the highest rainfall of all the Karoo types and thus ecotonal to grassland. As a result it is very sensitive to grazing pressure and, depending on stocking density and rainfall conditions may resemble either grassland or Karoo. The Eastern Mixed Nama Karoo is too dry for crop production; however this is the prime sheep and goat grazing area, producing much wool and meat. Irrigation along the Orange River is important; some of the dams on the Range River occur in this vegetation type.



Land Capability

Land Capability is determined by the collective effects of soil, terrain and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with the different land use classes. It is therefore a more general term and conservation oriented than land suitability. The land capability in CHDM is indicated in Map 7 below.



Land Capability Classification

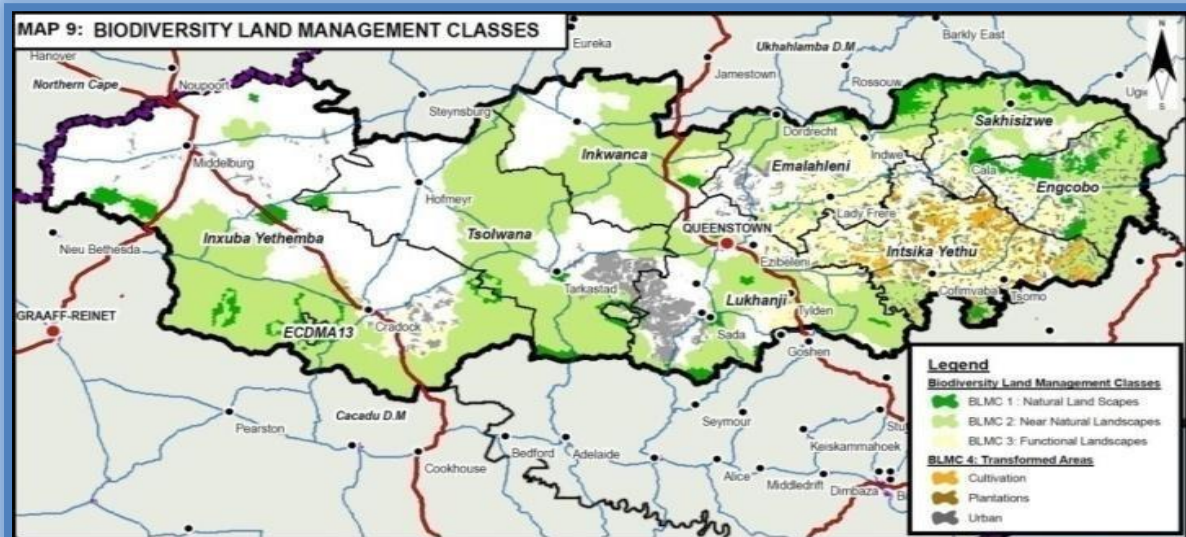
CLASS	CLASSIFICATION
I	Land in Class I has few limitations that restrict use but not found in CHDM
II	Land in Class II has some limitations that reduce the choice of plants or require moderate conservation practices. This class is not found in the CHDM.
III	Land in Class III has severe limitations that reduce the choice of plants or require special conservation practices, or both.
IV	Land in Class IV has severe limitations that reduce the choice of plants, require very careful management, or both. It may be used for cultivated crops, but more careful management is required.
V	Land in Class V has little or no erosion hazard but has other limitations impractical to remove that limit the use largely to pasture, range, woodland or wildlife food and cover.



VI	Land in Class VI has severe limitations that make it generally unsuited to cultivation and limit its use largely to pasture and range, woodland or wildlife cover.
VII	Land in Class VII has a severe limitation that makes it unsuitable for cultivation and that restricts its use largely to grazing, woodland and wildlife.
VIII	Land in Class VIII has limitations that preclude its use for commercial plant production and restrict use to recreation, wildlife, water supply or aesthetic.

Conservation Areas

Three conservation areas, under the direct control of the District Municipality, namely Koos Ras (Inkwanca), Lawrence de Lange (Lukhanji) and Longhill (Lukhaji) occur in the district. In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (e.g. Black Eagle and Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the CHDM. Commandodrift (Tsolwana), a Provincial Nature Reserve, also occurs in the District. There is also a Provincial Game Reserve – Tsolwana Game Reserve, and a game reserve which is an LED project, namely Masikhane Game Farm.

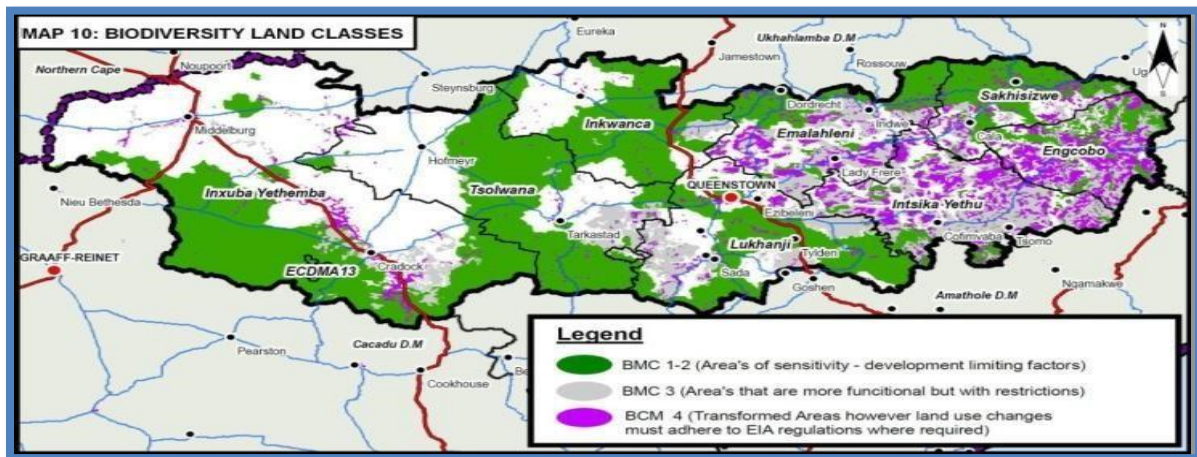


Critical Biodiversity Areas

Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining eco-system functioning. Areas of critical biodiversity areas are indicated in Maps 8 and 9 above.



Need to Conserve Biodiversity



Biodiversity provides us with clean water, air and soil, as well as medicinal plants, fuel wood, food products (from fishing, hunting and veldkos), building materials and grazing. Plant roots stabilise the soil and prevents erosion. All of these are vitally important for human wellbeing. Biodiversity also contributes significantly to rural livelihoods.

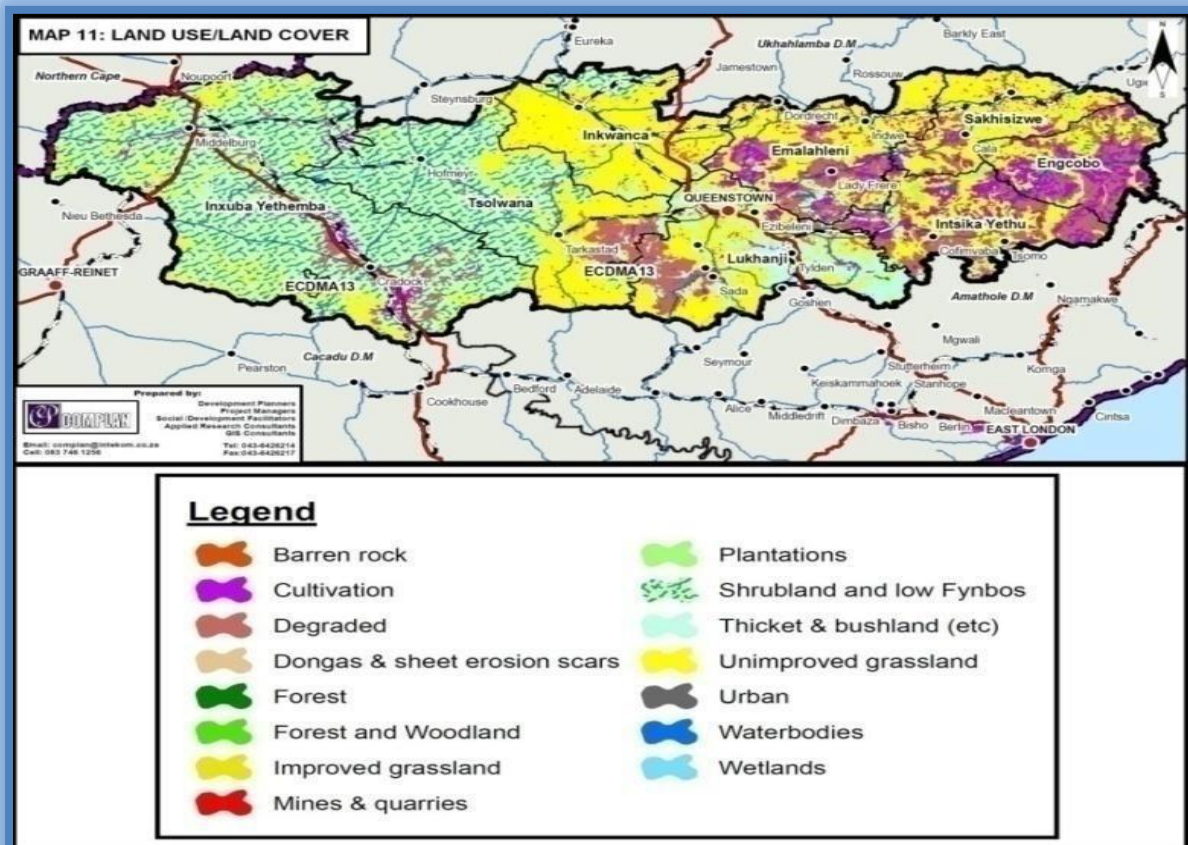
The scenic beauty of the Province provides valuable products for the tourism and wildlife industry, with potential to generate considerable economic revenue from nature reserves, game farms and hunting lodges.

At the global scale, we depend on nature particularly forests, to absorb the carbon dioxide that we generate, and to regulate the climate. All of these resources depend directly on biodiversity. Some land uses have a much greater negative impact on biodiversity than others. For instance, timber plantations and urban settlements are much more damaging to biodiversity than livestock and low impact tourism activities

Broad Land Usage

The land cover pattern is largely determined by topographical and climatic factors. However past political engineering, current tenure arrangement and population densities have impacted on the type of land cover.

The map below illustrates that the land cover classifications that dominate the Chris Hani DM are shrub and the low fynbos, covering 38% of the total area of the DM, followed by unimproved grassland (30%).



3.3.5 SETTLEMENT

The District Spatial Development Framework (2009/2010) has identified a hierarchy of development nodes in order to guide the DM and LMs in the allocation of appropriate level of investment in infrastructure and services as well as the implementation of land use management strategies. Within the parameters of the proposed hierarchy of nodes, the SDF endorses the REDS strategy of targeting the regeneration of towns (service centres) located along the major corridors in the District.

The SDF endorses the hierarchy of Nodes and REDS strategy of targeting the regeneration of towns (service centres) located along the major corridors in the district, but with the caveat that the Principle of Investment in realistic opportunity should prevail and investment should follow feasibility study outcome in all cases, rather than a blanket prescript, as reflected in the Table below:

Settlement Hierarchy

Urban Nodes		
Node Type	Location	Spatial Development Priorities
Level 3	Queenstown	
Major Development Node	<ul style="list-style-type: none"> Retail, Industrial and Admin. Node Centre of Excellence for Education Experiencing population influx 	<ul style="list-style-type: none"> Managed urban expansion and public-funded housing development Infrastructure development to cater for expansion CBD Management and focus on urban aesthetics Environmental Management (Game Reserve



Level 2 Major Centres	Cradock, Ngcobo, Cofimvaba, Lady Frere, Cala <ul style="list-style-type: none"> Retail and service nodes Administrative and social facilities serving surrounding rural areas 	<ul style="list-style-type: none"> Land Management & Administration (CBD Revitalization and associated planning) Sustainable Human Settlement Programme (<i>Public-funded housing development</i>) (<i>Infrastructure and social facilities upgrade</i>)
Level 2 Minor Settlements	Middelburg, Hofmeyer, Molteno, Tarkastad, Khowa, Dordrecht, Sterkstroom, Sads/Whittlesea, Tsomo, Ilinge <ul style="list-style-type: none"> Smaller retail and service nodes Administrative and social facilities serving surrounding rural areas 	<ul style="list-style-type: none"> Limited urbanization (sustainability) Urban aesthetics and land use management (tourism) Maintenance and upgrade of infrastructure Environmental Management (tourism)
Level 1 Minor Settlements	Minor Settlements	<ul style="list-style-type: none"> Basic level of service extension Local planning to maximize use of resources Local land use schemes to be negotiated
Rural Nodes		
Node Type	Location	Spatial Development Priorities
Level 2 Rural Node	Thornhill, Lower Lufuta, Ncora, Clarkesbury	<ul style="list-style-type: none"> Areas where higher order facilities should be focused Local planning to maximize use of resources Local land use schemes to be negotiated
Level 1 Rural Villages	Rural Villages	<ul style="list-style-type: none"> Basic level of service extension Local planning to maximize use of resources Local land use schemes to be negotiated

3.3.8 CORRIDOR ECONOMIC OPPORTUNITY

North-East Corridor (Corridor 2)

Like Corridor 1, Agriculture, agro-processing and forestry are still the most dominant sectors along corridor 2, although there is need to clearly understand the value chain combinations. There are a number of primary agricultural products produced along the corridor which are converted into semi or finished products in other areas outside or along the corridors. There is also evidence of reduplication of activities that needs reversed or corrected. Although the application of value chain analysis is debatable in service sectors, there is need to explore on how best the corridor can take advantage of a numerous economic opportunities dotted along the corridor. There is also a potential of building value chain combinations in manufacturing and mining sector along the corridor with Queenstown and its infrastructure technology and road networks playing as the hub of transforming primary goods into secondary goods.

Town	Agricultural, agroprocessing and forestry	Manufacturing, construction and mining	Tourism and hospitality	Service, retail and logistics
Khowa	Crops and fruit production	Livestock production	Dam for picnics Caravan park Hiking trails Bird watching Caves (Water Kloof) Fishing Cultural village Golf course country club and sports fields	Airstrip Child care for street children



Cala	Canned fruit	Hota Mbewula fruit	Restaurant Conference facilities	Recycling project Taxi industry
(peaches) Asgisa Project. Meat processing Wool processing	Maize production Wheat production		Cultural tourism Rock paintings Hiking trails Training of tour guides, Fishing in Tsomo River	Hospice for HIV and AIDS Skills training institutions
Dordrecht	Dairy processing Game farming Wool factory	Brick making	Mountain hiking trails Hotel Golf course	Railway line revitalization
Indwe	Fodder production Fishing	Coal belt Construction of power station	Golf course resort Restaurants Development of tour guides	Transport (railway line)
Lady Frere	Wheat and sorghum production Irrigation scheme Guba farms for food production and livestock Sawmill	Manufacturing of aloe products	Clay arts and crafts Eco- tourisms, hiking and off road adventures Xonga dam for hiking and water sport tourism Hospitality and conference centre Cultural village Hotel and restaurant facilities	Garage

Corridor 2-North West Corridor Opportunities

- The corridor's **communications** (transport and telecommunications) infrastructure is reasonably well developed, with operational rail and air transport facilities, and with favourable cellular network coverage in Emalahleni LM but in Sakhisizwe, communication infrastructure is modest, with operational rail facilities and an air transport facility. In terms of **quality of life**, the corridor has adequate access to water supply, electricity, shelter, education and health facilities.
- On **economic infrastructure**, it is fairly developed within the in Sakhisizwe but well developed in Emalahleni.
- An analysis of economy of Emalahleni LM indicates that the **local economy** has a comparative advantage in **agriculture** and according to study conducted by ARC for Ruliv the following agricultural potential has been identified – cattle (beef), sheep farming, maize production, sorghum, irrigation potential for a further 5500 hectares at Xonxa and Lubisi Dams as well as irrigation at the Guba Farms, fresh water fish production in the Doring River Dam, Aloe juice industry and other local projects (beekeeping and mushrooms). Besides agriculture, the municipality has a comparative advantage in retail, community services, tourism, mining and manufacturing. The area has high agriculture expansion potentials, especially in wool and irrigation schemes.
- The Emalahleni Municipality claims a range of **leading agricultural products**, including sheep, cattle, maize and dry land sunflower production, and the high number of sheep in the



area presents opportunities for expansion of the wool industry, while the relatively large local market presents meat processing opportunities. The area is identified as suitable for forestry, with potential for irrigated horticultural and field crops and very high potential for further maize production.

- The Sakhisizwe Municipality claims a range of **leading products**, including sheep, goats, cattle, sunflower and maize. Additional products identified as sustainable include a full range of grain, nuts, fruit and vegetables, as well as fodder and processed meat. **Forestry and tourism** are other important sectors.
- In Sakhisizwe land identified as suitable for **forestry** is under-utilised, presenting high potential for further agricultural development, particularly for dry land maize, potatoes and beans as well as irrigated maize. Potential exists for local production and marketing of vegetables, while high grazing potential favours livestock farming.
- **In terms of tourism development**, Sakhisizwe falls within the “Friendly N6” tourism region and is closely tied to the Maloti (Lesotho) Route, geared at tourism opportunities around the theme of Xhosa culture, while the landscape of the area is identified as an opportunity for **game and eco-tourism**. The potential growth of Emalahleni’s economy is to be orchestrated through programmes encouraging **community based tourism** initiatives
- In **mining**, there is an untapped mineral resource planned for exploitation near Indwe, namely low grade **coal deposits**. There is a need for the local municipality to develop a mining sector plan that will try to untap the potential of this sector. There is also an urgent need to improve the state of the roads around the local municipality in order to aid development of all the sectors, since good road network are prerequisites of development
- This corridor has **huge forestry resources** (existing and potential) in the District and forestry has a potential to become one of the most productive sectors in the local economy of the corridor with approximately 9 679 hectares of land under forestry in Sakhisizwe local municipality. Currently new afforestation potential within the two municipalities within the corridor amount to 88 406 hectares. There is a **charcoal manufacturing plant in Sakhisizwe LM** which uses gum and wattle as raw material. **Mondi** has established in the area, having bought out many farms and planted them to timber in Sakhisizwe, although their regional offices and staff are housed in neighbouring Ugie (Elundini).
- On the **Sector Performance** the greatest contributor to the GGP within the corridor is the community and social services sector which employs about 33% of the workforce on average. In Sakhisizwe LM, private households and agricultural sectors employ 21% and 17% respectively. Besides these two the following are the key drivers of the local municipality: cultural tourism, construction, transport and storage, and finance and insurance.

Constraints

- In terms of **communication** both Sakhisizwe and Emalahleni have limited road surfacing and low percentage of direct access to telephones. There is also an urgent need to improve the state of the roads around the local municipality in order to aid development of all the sectors, since good road network are prerequisites of development. On **quality of life**, the corridor reflects a low percentage of residents having direct access to some **basic services** such as sanitation, water, electricity, refuse removal.
- The **socio-economic challenges** in the corridor include high unemployment, reliance on public sector employment, poverty (Sakhisizwe - 85%, Emalahleni - 74%), high youthful population (about 52%), slow economic growth, and the duplication of basic social services and infrastructure provision to the main nodes within the municipalities in the corridor, thereby stretching the financial capacities of those municipalities. A large number of households (76%) in both Emalahleni and Sakhisizwe can be deemed as indigent with gross monthly incomes of less than R1500.



- **Agricultural limitations** include shallow soils, low rainfall, temperature variation and lack of irrigation water, as well as lack of security on farms due to armed robbery, stock theft and murder in Sakhisizwe. Agriculture is the second largest contributor to employment and GVA and there is growth in small businesses (mainly in the retail and service sector) in Cala, yet Khowa is noted as having a declining business sector.
- In terms of **socio-economic indicators**, Sakhisizwe has a youthful population, with over half (53%) of the population aged under 20 years, and claims higher than Provincial and District average rates of unemployment (60.4%), dependency (3.89), poverty (84.66%) and households receiving less than R1500 per month (75.9%) but only 51.3% of households receive social grant.
- The corridor is also a home to high levels of poverty (about 85%), unemployment (about 75%) and illiteracy, coupled with the highest dependency ratio and a very youthful population, with more than half (about 53%) of the population aged under 20 years. About 76% of households receive less than R 1500 per month but dependency of social grant is very high in Emalahleni (79%) but only 51.3% in Sakhisizwe LM. An indication of the depth of poverty in the corridor is revealed by the Municipality's share of the Provincial poverty gap of 1.35% and 3.08% for Sakhisizwe and Emalahleni respectively compared to its share of the Provincial population (1.10%).
- The high unemployment coupled with high poverty levels create negative impact on households affordability levels in terms of service delivery and payments within the corridor. More employment opportunities also need to be created to provide jobs for the working population. Also rapid expansion is needed by the labour and housing markets to accommodate this category of population in future.
- The overwhelming majority (95.07%) of the population in the corridor is resident on **tribal or communal land**. There are **unsettled land claims** within the corridor (Intsika Yethu has the highest (70) of unsettled claims in the district but Engcobo has only 13 unsettled land claims. Large scale investment by private sector is generally more difficult to achieve, in these tribal lands and procedures to be followed in securing land for housing development within these communal areas are very cumbersome as it takes very long time and series of processes for the acquisition.
- The local economy is highly **concentrated**, dominated by the Community Services sector in terms of both GVA and employment and there is the need for diversification to avoid any external shocks within the corridor.



SUMMARY OF KEY ECONOMIC OPPORTUNITIES VARIOUS CORRIDORS

AGRICULTURE, FORESTRY AND ASGISA PROJECTS**NORTH-EAST CORRIDOR (2)****Howa and Cala area:**

- Asgisa fruit project in Cala (peaches)
- Maize production
- Livestock production and expansion
- Fruit production
- Fodder production

MANUFACTURING AND MINING**NORTH-EAST CORRIDOR (2)**

- Canned fruit factory in Cala
- Saw mill in Howa area

TOURISM DEVELOPMENT**NORTH-EAST CORRIDOR (2)****Howa and Cala areas**

- Beautiful scenery in Howa area
- Rock Paintings,
- Conference facilities,
- Hiking trails in Cala
- Cultural tourism in Cala
- Ecotourism
- Hiking and adventure tourism
- Water sports (Thompson Dam)
- Cultural village
- Conference centre

LAND REFORM AND SETTLEMENT DEVELOPMENT PROPOSALS**NORTH-EAST CORRIDOR (2)****Howa, Cala area**

- Development Support Zones
- Settlement formalization and densification
- Special land reform projects
- Small town regeneration strategy for Howa, Cala,

SERVICES, RETAIL AND LOGISTICS**NORTH-EAST CORRIDOR (2)****Howa;**

- Airstrip

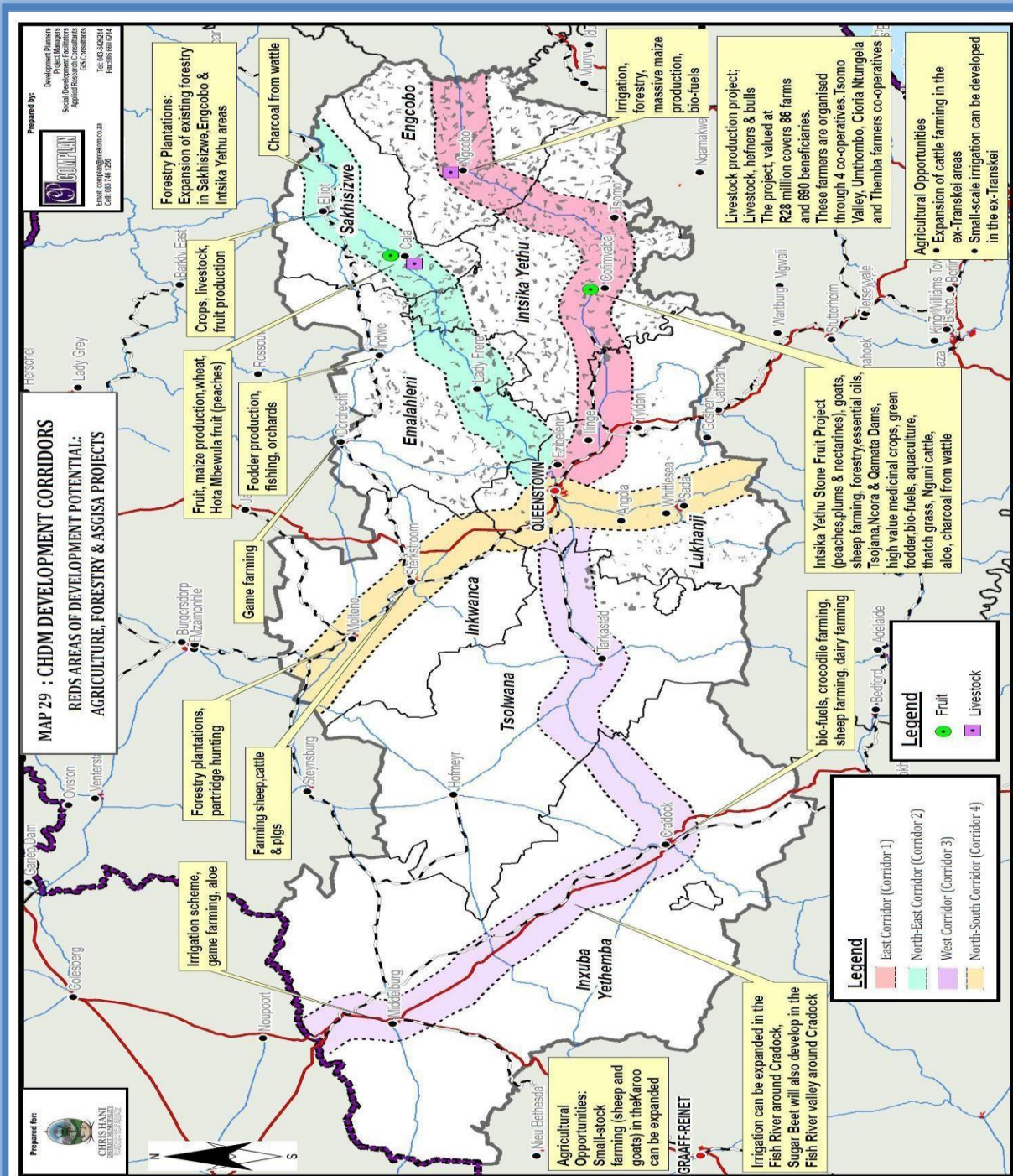
Cala;

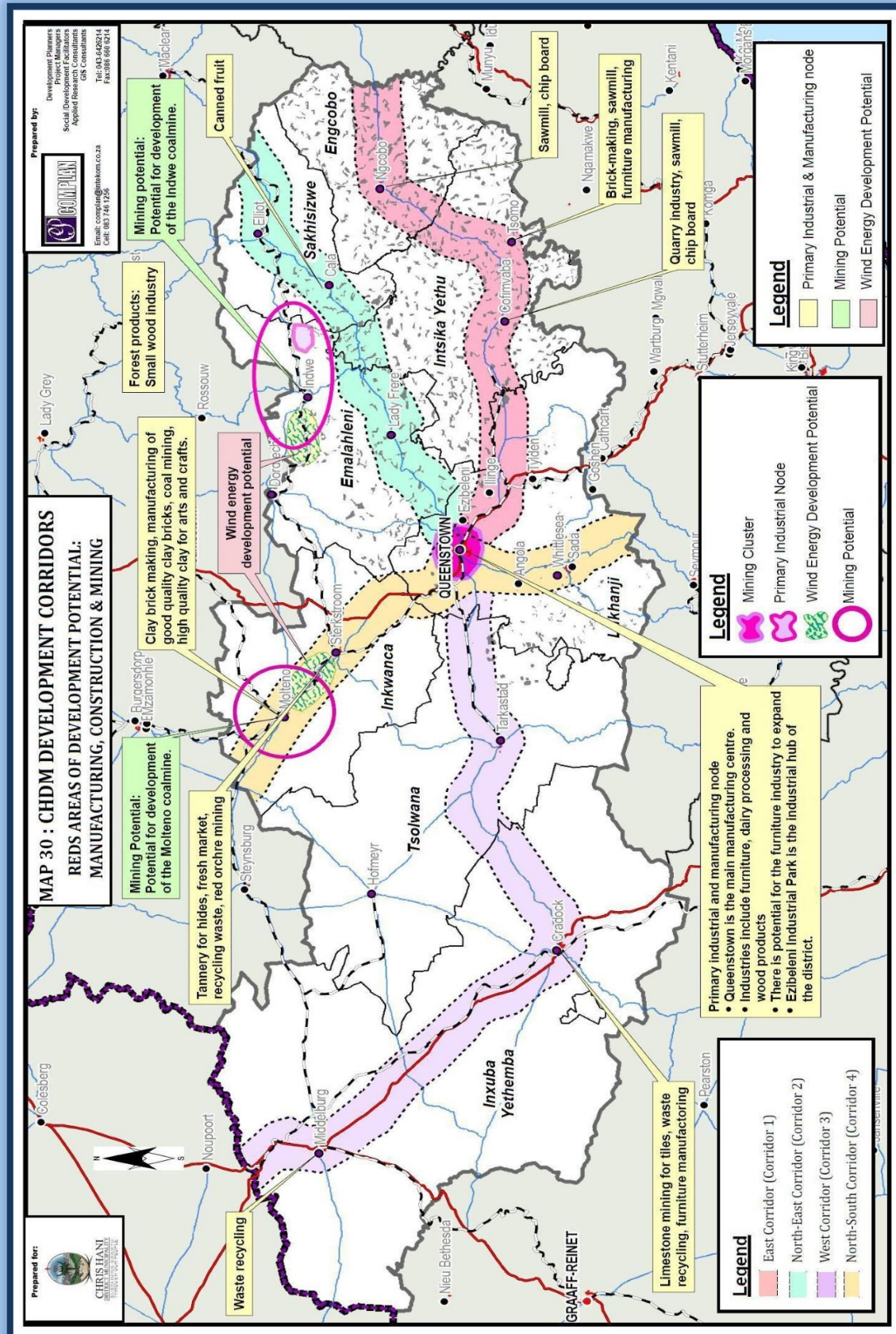
- Skills training, hospice for HIV/Aids

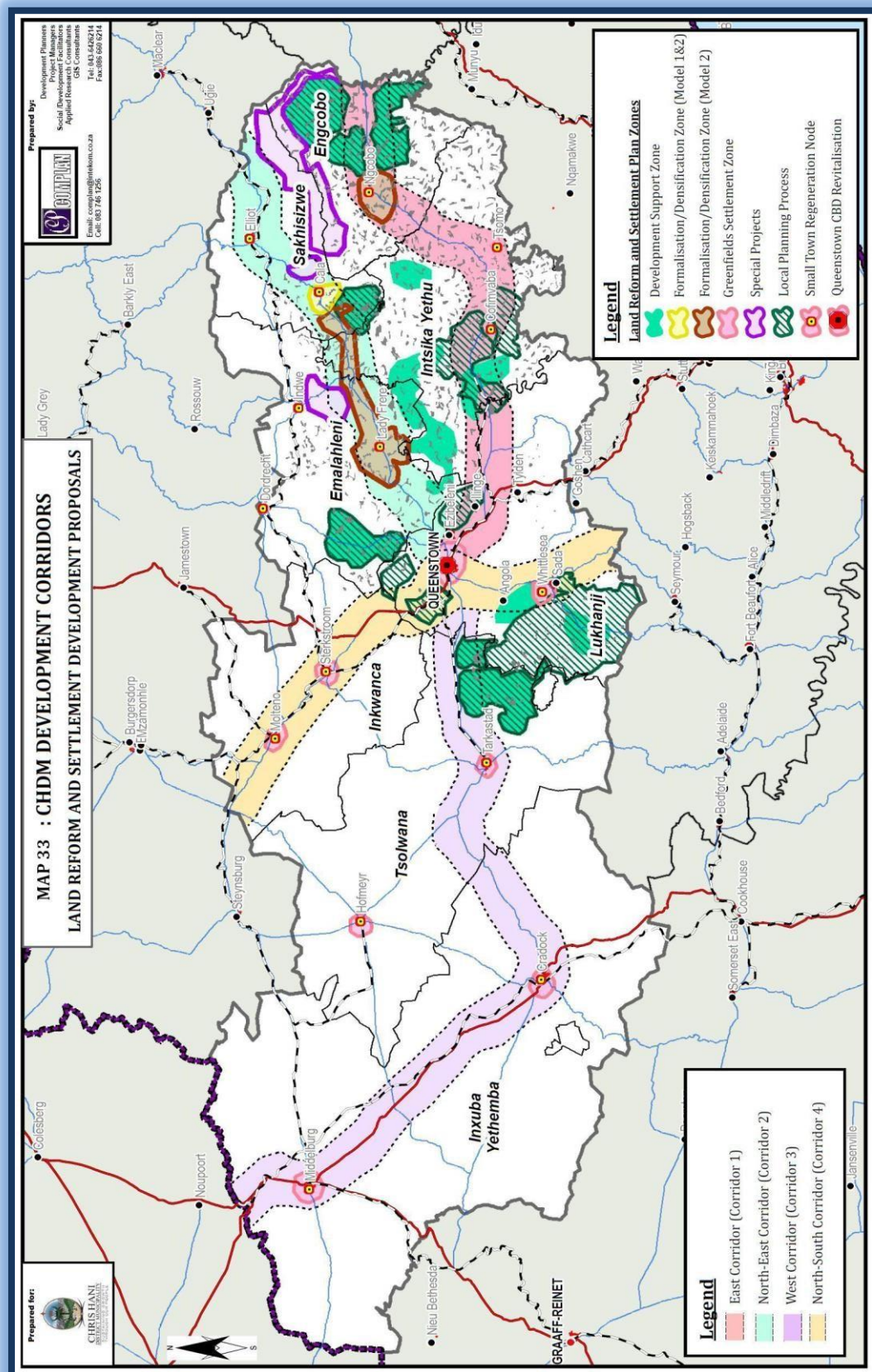
**SMALL TOWN REGENERATION (STR) INITIATIVES**

The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise small towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives.

As part of the STR, the municipality is planning on developing a STR strategy that will identify key areas that are critical to improve and attract investment to the area. The District has started the process with budget that has been allocated for beautification of Cala Taxi Rank during the 2018/19 financial year as well as sign posts for all Sakhisizwe main entrances.









3.4 NKPA- MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

3.4.1 LEGISLATIVE BACKGROUND

This section deals with analysis of our state of readiness to deliver on our assigned constitutional as well as powers and functions mandate. It analyses the extent to which we have put in relevant systems, processes and tools to ensure smooth operations and development of the municipal organization.

The primary role of the municipal council is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. In administering the matters assigned to local government, the municipal council must strive within its capacity to achieve the Constitutional objects of local government. Roles and Responsibilities within Local Government These constitutional objects are:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

The Constitution also assigns developmental duties to municipalities. Section 153 provides that a municipality must:

- Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal council must meet at least quarterly. The Act also requires the council to annually review:
 - the needs of the community
 - its priorities to meet those needs;
 - its processes for involving the community;
 - its organisational and delivery mechanisms for meeting the needs of the community; and
 - its overall performance in achieving the constitutional objectives outlined above The municipal council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality.

The Constitution confines the performance of certain functions to the municipal council alone. These functions may not be delegated by the council under any circumstances.

- Approval of Budgets
- Passing of By-laws
- Imposition of rates, other taxes, levies, and duties
- Raising of loans

3.4.2 POWERS AND FUNCTIONS

Our mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) coupled with the assigned powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, local government has the following functions.



Part B of Schedule 4			
FUNCTION		DEPARTMENT	CHALLENGES
Air pollution	No	Community Services	No capacity and financial resources to undertake the function
Building regulations	Yes (Partial)	IPED	No dedicated officials to perform the function.
Child care facilities	No	Community Services	No capacity and financial resources to undertake the function
Electricity and gas reticulation	Yes	Technical Services	
Fire-fighting services	No	CHDM	District Function
Local tourism	Yes	IPED	Limited human and financial support to fully implement the function
Municipal airport	No	IPED	No capacity and financial resources to undertake the function
Municipal planning	Yes	IPED	Limited human and financial support to fully implement the function
Municipal health services	No	CHDM	District Function
Municipal public transport	No	Technical Services	No capacity and financial resources to undertake the function
Pontoons, fairies, settees, piers and harbors excluding the regulations of international and national shipping	N/A		
Municipal public works only in respect of the needs of the municipalities	N/A		
Storm water management system	Yes	Technical Services	
Trading regulations	No		District Function
Part B of Schedule 5			
Beaches and amusement facilities	N/A		
Billboards and display advertisement in public places	Yes (Partial)	IPED	No dedicated officials to perform the function.
Cemeteries, funeral parlors and crematoria	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function
Cleansing	Yes	Community Services	No capacity and financial resources to undertake the function
Control of public nuisance	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function
Control of undertakings that sell liquor to the public	Yes	Community Services	No capacity and financial resources to undertake the function



Facilities for the accommodation care and burial of animals	No	Community Services	No capacity and financial resources to undertake the function
Fencing and fences	Yes	Community Services	
Licensing and controlling of undertakings that sell food to the public	No		District Function
Local amenities	No		
Local sport facilities	Yes (Partial)		
Markets	No	IPED	No capacity and financial resources to undertake the function
Municipal abattoirs	No	IPED	No capacity and financial resources to undertake the function
Municipal parks and recreation	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function
Municipal access roads	Yes	Technical Services	
Noise pollution	No	Community Services	No capacity and financial resources to undertake the function
Pounds	Yes	Community Services	
Public places	Yes (Partial)	Community Services	No capacity and financial resources to undertake the function
Refuse removals, refuse dumps and solid waste disposals	Yes	Community Services	
Street trading	Yes (Partial)	IPED	No capacity and financial resources to undertake the function
Street lighting	Yes	Technical Services	
Traffic and parking	Yes	Community Services	

Sakhisizwe municipality should be undertaking all the bolded items in the above list and where capacity does not exist, should be taking decisive steps to ensure such capacity. However, our main challenges are that we do not have sufficient capacity to undertake all the assigned powers and functions. This IDP review identifies a specific project to review the organogram and to fill the critical vacant and budgeted positions in the approved organogram so as to ensure improved operational and administrative capacity.

3.4.3 POLITICAL AND ADMINISTRATIVE GOVERNANCE

The governance system of Sakhisizwe municipality and its operation is predominantly based on the legislative framework of local government, i.e. Municipal Structures Act, Municipal Systems Act, Municipal Finance Management Act, and other laws pertinent to the local government sector. Sakhisizwe municipality has always endeavoured that the governance system, comprising of the



Political and Administrative arms of the municipality, is operated effectively and that compliance with laws, regulations and related policies are complied with by all stakeholders and at all levels.

This concerted attitude on governance has in fact resulted in improved service delivery, financial management and audit opinion over the years. Notwithstanding the above, the municipality is conscious of the there is still room to improve its governance system to ensure that that enduring returns are realized, in the form of, for example, clean administration or unqualified audit opinion without matters.

3.4.3.1 POLITICAL GOVERNANCE

The Mayor of the municipality heads the executive arm of the municipality and is assisted by three (3) executive committee. The mayor is the nucleus of the governance system and its effectiveness in ensuring efficient, economical and effective administration including financial management, since the executive powers are vested in him to oversight the day-to-day affairs of the municipality assisted by the municipal manager, thereby entrusting him with an overarching strategic and political responsibility.

The Sakhisizwe Municipal Council is constituted of 20 councillors inclusive of Traditional Leaders. The tables below illustrates the Political Leadership of the municipality as well as the list of Councillors.

<p><u>VACANT</u></p> <p><u>Acting Municipal Mayor</u> Cllr Ntsere</p>	 <p><u>Council Speaker</u> Cllr Faku</p>	<p><u>VACANT</u></p> <p><u>Acting Chief Whip</u> Cllr Sondlo</p>
 <p><u>Member of Executive Committee</u> Cllr Ntsere</p>	 <p><u>Member of Executive Committee</u> Cllr Stofile</p>	<p><u>VACANT</u></p> <p><u>Member of Executive Committee</u></p>

**FULL LIST OF SAKHISIZWE MUNICIPALITY COUNCILLORS**

NAMES		WARD	POLITICAL PARTY
1.	Cllr B. Ntsere (Acting Mayor)	PR	ANC
2.	Cllr K. Faku (Speaker)	PR	ANC
3.	Cllr T. Doda	1	ANC
4.	Cllr N. Mxhonywa	PR	ANC
5.	Cllr N. Ponoshe-Radzilane	PR	ANC
6.	Cllr M. Ngqayimbana	2	ANC
7.	Cllr T. Hoza	3	ANC
8.	Cllr B.E. Ponoshe	4	ANC
9.	Cllr Z. Mose	5	ANC
10.	Cllr A. Sondlo	6	ANC
11.	Cllr N. Stofile	PR	ANC
12.	Cllr N. Magandela	7	ANC
13.	Cllr N.P. Mkati	8	ANC
14.	Cllr Z. Mbasane	9	ANC
15.	Cllr M.J. Malungisa	PR	DA
16.	Cllr A. Lande	PR	EFF
17.	Cllr Y. Ndiki	PR	UDM
18.	Chief Stokwe	TL	
19.	Headman Maawu	TL	
20.	Headman Msheqo	TL	

3.4.3.2 ADMINISTRATIVE GOVERNANCE

In order to give effect to the implementation and administration of the municipal vision and its objectives, it is both necessary and imperative to put in place a relevant institutional structure and administration that is able respond to the objectives and full implementation of its powers and functions. The organisational structure was adopted by the Council in 2016 in line with the 5 year IDP. It provided for approximately 250 posts, 162 filled post and 88 vacant posts. There are challenges with funding for the vacant positions, this poses a challenge for the municipality as it unable to fully implement its legislated obligations.

Sakhisizwe has 6 departments. The table below gives a summarized illustration of the current top organizational structure at Sakhisizwe LM



Department	Responsibilities	Senior Manager
Municipal Managers Office	<input type="checkbox"/> Mayor and Speakers Office <input type="checkbox"/> Municipal Manager's Office <input type="checkbox"/> Public Participation <input type="checkbox"/> Council Oversight <input type="checkbox"/> Internal Audit <input type="checkbox"/> Risk Management <input type="checkbox"/> Special Programmes <input type="checkbox"/> Communication <input type="checkbox"/>	Municipal Manager Mr D. M Mvulane
Integrated Planning and Economic Development (IPED)	<input type="checkbox"/> Integrated Planning (IDP) Land <input type="checkbox"/> Use Management	Director: IPED Ms. N. Tshetu
	<input type="checkbox"/> Spatial Planning <input type="checkbox"/> Building Control <input type="checkbox"/> Town Planning <input type="checkbox"/> Local Economic Development <input type="checkbox"/> Agriculture <input type="checkbox"/> Enterprise Development <input type="checkbox"/> Job Creation <input type="checkbox"/> Tourism and Heritage <input type="checkbox"/> Environmental Management <input type="checkbox"/> Housing <input type="checkbox"/> Human Settlements	
Technical Services Department	<input type="checkbox"/> Roads and Storm water <input type="checkbox"/> Electricity <input type="checkbox"/> Infrastructure Planning	Director: Technical Services Mr S.S. Tunzi
Community Services Department	<input type="checkbox"/> Environmental Health <input type="checkbox"/> Waste Management <input type="checkbox"/> Sports and Recreation <input type="checkbox"/> Safety and traffic Services <input type="checkbox"/> By-Law Enforcement <input type="checkbox"/> Disaster Management <input type="checkbox"/> Fire Services <input type="checkbox"/> Pounds <input type="checkbox"/> Cemeteries <input type="checkbox"/> Libraries <input type="checkbox"/>	Director: Community Services VACANT



Corporate Services Department	<input type="checkbox"/> Organisational Development and <input type="checkbox"/> Administration Training and Development <input type="checkbox"/> Labour Relations <input type="checkbox"/> Employee Wellness <input type="checkbox"/> Employee Performance <input type="checkbox"/> Fleet Management <input type="checkbox"/> Occupational Health and Safety <input type="checkbox"/> Registry <input type="checkbox"/> Information Technology	Director: Corporate Services Mr L. Fathuse
Budget and Treasury Office	<input type="checkbox"/> Revenue Management <input type="checkbox"/> Expenditure Management <input type="checkbox"/> Supply Chain Management <input type="checkbox"/> Budgeting <input type="checkbox"/> Financial Reporting <input type="checkbox"/> Asset Management	Chief Financial Officer Mr P.M. Mahlasela

The Municipal Manager and all 4 of the 5 Section 56 positions in the organogram have been filled, except for the Community Services Director. A Detailed organogram is attached as ***Annexure 1*** to this document. It shows key positions identified to ensure full operational and institutional response to all our mandates.



MUNICIPAL BY-LAWS, POLICIES AND SECTOR PLANS

In its endeavour to fully implement its legislated obligations, the municipality develop by-laws, polices and strategies to assist with the ease implementation of its responsibilities. Below is the list of by-laws, policies and strategies per department:

DEPARTMENT	SECTOR PLAN / POLICY,	STATUS: NEW/ REVIEWED/ DRAFT REVISED	ADOPTED DATE
Finance	Credit control & revenue collection strategy not in place.		
	Investment Plan		
	Revenue collection and enhancement strategy to be revised and implemented in 2013/14.		
	SCM policy to be updated annually		
	Indigent policy needs to be updated and implemented		
	Risk& Asset Management plan		
Corporate services	HR Manual & Policies in place		
	Organogram to be implemented as planned and budgeted by June 2017		
	Employment equity plan not in place.		
	Workplace skills plan to be amended with new inputs and implemented		
Office of Municipal Manager	Performance Management Policy to be reviewed together with signed PM contracts for s56& 57 managers		
	SPU strategy and programme to be implemented and monitored as adopted		
Integrated Planning & Economic Development	2019/2024 Spatial Development Framework	New	May 2019
	LED Strategy as adopted in 2011	Minor Review	May 2019
	Tourism sector		May 2012
	Housing sector plan	New	May 2019

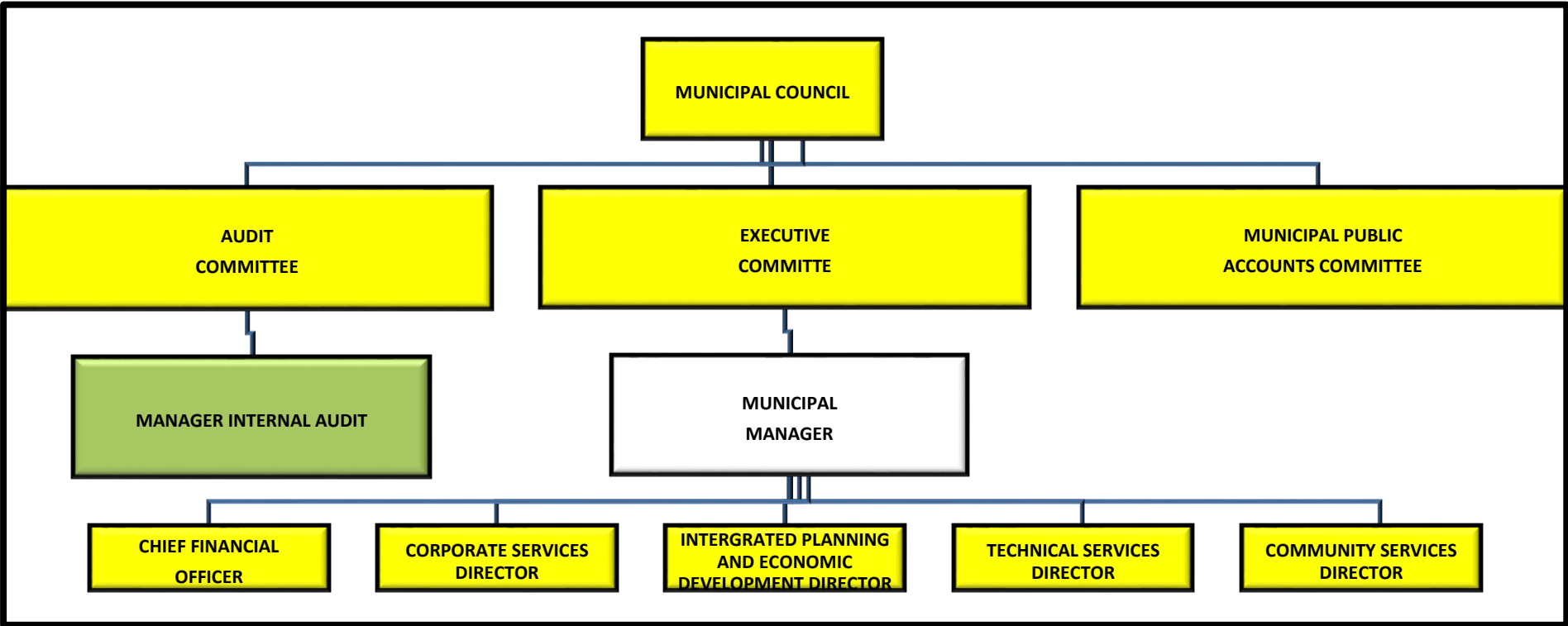


Community services	HIV/ Aids workplace strategy not in place. Need help with this document		
	Waste management sector plan (adapt DMs plan)		
	Disaster management plan (adapt DMs plan)		
	Environmental sector plan not in place, funding sorted from DEA		
Technical services	Capital Infrastructure Investment plan to be developed with participation of wards and then adopted by council		



ORGANOGRAM

Top Structure



SECTION
FILLED
NOT BUDGETED
BUDGETED



3.4.5 DIRECTORATE CORE FUNCTION AND SWOT ANALYSIS

3.4.5.1 OFFICE OF THE MUNICIPAL MANAGER

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Council oversight	<ul style="list-style-type: none"> Council and council oversight structures in place. MPAC committee in place. Council calendar in place. 	<ul style="list-style-type: none"> Inconsistent sitting of the MPAC (as per council calendar and number of meetings) Lack of capacity (Researcher not in place and there is need for MPAC members' training). Poor attendance of MPAC meetings. Lack of funding for capacitation. 	<ul style="list-style-type: none"> AGSA's willingness to assist train/capacitate MPAC committee. Consistent sitting of MPAC will result into good governance. 	<ul style="list-style-type: none"> Congested schedule. Adverse opinions due non-sittings.
Internal Audit Function and Audit Committee	<ul style="list-style-type: none"> Audit committee in place. AC and Internal audit charters and plans in place. Audit Committee sitting consistently. 	<ul style="list-style-type: none"> Audit Committee schedule not incorporated into the council calendar. Inconsistent attendance by other AC members. Non-implementation of audit committee recommendations. Not abreast with the latest GRAP standards and IIA standards and developments Limited Funding/Budget. Lack of staff complement (Internal audit manager and requisite IA staff). 	To source SETA and Provincial Treasury funded programmes that will equip Internal Audit. (IAT, PIA and CIA).	Adverse audit opinion due to ineffective AC and internal audit services.
Risk management unit	<ul style="list-style-type: none"> Risk; ICT and mSCOA committees established. Risk Strategy in place Risk register 2016 – 2017 in place. 	<ul style="list-style-type: none"> Inconsistent sitting of the Risk, ICT and mSCOA committees due to lack of commitment from members. Inconsistent/ineffective Risk management reporting. Lack of risk management tools and techniques. Fraud management programme not fully functional. 	Audit Committee willing to assist to stabilise sittings of the Risk; ICT and mSCOA committees by seconding one of its independent members.	□ Non-Compliance to MFMA and King IV could result in adverse audit opinions.
Special Programmes Unit	Youth council in place.	<ul style="list-style-type: none"> Non - existence of sport, disability, women's and elderly forums. SPU Strategy and policies not in place. □ Lack of capacity (Staff complement) □ Absence of funding / budget. 	<ul style="list-style-type: none"> OTP to assist in the development of the youth policy and strategy. SALGA to assist in development of the children policy. 	<ul style="list-style-type: none"> Dysfunctional structures. Abuse of the vulnerable groups. Non-compliance to Laws.



Performance Management Unit	<input type="checkbox"/> Performance Management Policy in place.	<input type="checkbox"/> Performance Management Framework not in place.	CoGTA's willingness to assist with training.	<input type="checkbox"/> Adverse audit opinion due to material non-compliance with the Municipal Systems Act.
Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Communication and Public Participation	<input type="checkbox"/> Approved SDBIP and budget in place.	<ul style="list-style-type: none"> Non-alignment of the IDP; Budget and SDBIP. Ineffective performance management function/processes. 		
	<ul style="list-style-type: none"> Positive participation of all communities to IDP programmes. Existence of the municipal website. Functional war rooms. Improved circumcision oversight. Ward committees established and functional. 	<ul style="list-style-type: none"> Lack of a Communication Strategy and Policies. Under-utilisation of the municipal website (publications) Absence of municipal newsletter. Lack of capacity to implement communication and public participation programmes (Warm bodies). Lack of a call centre for customer complaints. Petitions committee not in place. 	Rapid and factual communication with communities	Service delivery protests.

3.4.5.2 TECHNICAL SERVICES

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Infrastructure	<ul style="list-style-type: none"> Available funding. Effective implementation of key deliverables as per IDP. Functional Plant and Machinery. Implementation of the operations and maintenance plan for gravel roads. 	<ul style="list-style-type: none"> Lack of an infrastructure master plan. Ineffective monitoring of projects implementation due to lack of capacity (Civil technicians). Lack of a project management system <input type="checkbox"/> Lack of Operators for plant machinery. Unavailability of a workshop repair centre for the yellow fleet. Lack of proper planning within the department to ensure rapid implementation of projects. 	Job creation - Utilization of paving machine through internship programmes.	<ul style="list-style-type: none"> Bulk of the surfaced roads that need to be constructed are with SANRAL, DPRW etc. Non-compliance to Dora, constitution and Regulations could lead to withholding of funds. Dilapidated road network. Lack of/insufficient bulk infrastructure to allow local economic development. <input type="checkbox"/> Protests due to dilapidated infrastructure.



Electricity	<ul style="list-style-type: none"> • Available funding from INEP. • Availability of the Municipal Vendor machine • Functional free basic services. 	<ul style="list-style-type: none"> • Non-electrification of existing high masts. • Lack of capacity 	Expedite household connections in areas with backlog.	<ul style="list-style-type: none"> • Non-spending of allocated funds. • Possible protests due to non/insufficient electrification. • Possible funding reduction.
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3.4.5.3 INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT (IPED)

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Land Use Management	Effective implementation of SPLUMA.	<ul style="list-style-type: none"> • Non-registration of municipal land. • Non-surveying of municipal land for disposal. • Lack of capacity (Building Inspector). • Limited budget. • Non-implementation of the municipal land use management by-laws. □ Lack of Building inspectors 	<ul style="list-style-type: none"> • Functional relations with CHDM Tribunal. • Implementation of SPLUMA. • Good relationship with district municipality and other stakeholders. 	<ul style="list-style-type: none"> • Lack of adequate funding and resources. • Uncontrolled land development/land use.
Housing	<ul style="list-style-type: none"> • Housing/beneficiary register in place. • Existing housing allocations. 	<ul style="list-style-type: none"> • Non-registration of previously owned old properties. • Lack of capacity. • Lack of a housing sector plan. 	Working in close partnership with the department of Human settlement.	<ul style="list-style-type: none"> • Vandalism of existing houses. • Slow pace by Department of Human settlements in appointing Service Providers and implementing housing projects. • Service delivery protests.



Tourism and Development of SMMEs	<ul style="list-style-type: none">Economic growth within Tourism sector, though at a snail's pace.Tourism sector plan in place.LED strategy in place.	<ul style="list-style-type: none">Lack of capacity for LED (LED Director not appointed even though the post is funded)LED unit does not have a budget.Lack of Implementation of municipal By-laws.Non-implementation of sector plans	<ul style="list-style-type: none">Implementation of the Tourism sector plan.Dedicated percentage of the MIG funding for LED.Implementation of the LED strategy.Setting up Private Public Partnerships to develop the local economy and development of a funding models.Small town regeneration/ revitalisation strategy projects.Enhancement of tourism opportunities through development of existing tourism infrastructure	High rate of unemployment, inequality and poverty.
Agriculture (Crop production and livestock improvement)	<ul style="list-style-type: none">Vast tracts of land that are suitable for crop production and livestockLED strategy in place.	<ul style="list-style-type: none">Lack of proper planning to implement and monitor activities.Lack of budget to support the activities.Lack of personnel to implement the plans.	<ul style="list-style-type: none">Implementation of business plans to drive agriculture and livestock.	Lack of land care business plans. Lack of interest on agriculture and livestock.
Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
and Land Care)			<ul style="list-style-type: none">Awareness campaigns around crop production, livestock improvement and land care.	



3.4.5.4 CORPORATE SERVICES

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Training and Development	<ul style="list-style-type: none"> Training Committee is in place. Adopted Workplace Skills Plan is in place. 	<ul style="list-style-type: none"> Inconsistent sitting of the training committee due non- incorporated of dates in the Council Calendar. Clash of programmes and activities makes it difficult for meetings to sit. Training programmes not aligned with the adopted WSP. Insufficient training budget. 	Willingness of service providers to transfer skill.	Incompetent training service providers.
Organizational Development & Administration	<ul style="list-style-type: none"> Adopted organogram in place. Training of evaluation committee was done 	<ul style="list-style-type: none"> Critical posts in the organogram are not funded due to limited financial resources. Not all posts are evaluated. 	Finalisation of the job evaluation process.	Non-compliance with legislation Basic Conditions of Employment Act (BCEA) or Labour Relations ACT (LRA) could lead to litigations and adverse audit opinions.
Council support	<ul style="list-style-type: none"> Adopted council schedule is in place. Council sittings are as per legislation. Recording device in place to support recording of council proceedings. 	<ul style="list-style-type: none"> Not sitting as per council schedule Non- implementation of council resolutions. 	Alignment of programmes to allow consistent sitting of planned council meetings.	Adverse opinion due to week council oversight.
Compliance with Employment Equity Act	<ul style="list-style-type: none"> Employment equity committee is in place. Adopted Employment equity plan with equity targets is in place. 	<ul style="list-style-type: none"> Inconsistent sitting of the employment equity committee due to non- incorporation of dates in the Council Calendar Employment equity committee is not fully representative due to multiple commitments of designated groups Municipality work force not representative of the designated groups. 	Implementation of the Employment equity plan.	Penalties due to non-compliance with the provisions of the employment equity act. (Department of labour has issued a directive to effect transformation on all male dominated positions and the top four management levels)



Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Labour Relations Policy	<ul style="list-style-type: none"> Local Labour Forum is in place. Schedule of sittings incorporated in the council calendar. 	Non-sitting of Local labour forum.	Political intervention on sitting of local labour forum.	<ul style="list-style-type: none"> Adverse opinion due to non-Compliance to the labour relation act. Non-delivery of the municipal mandate due to unstable labour relations.
Employee Wellness	Employee wellness committee is in place.	<ul style="list-style-type: none"> Employee wellness policy not in place. Fragmented programs that are not incorporated into the wellness plan. Insufficient budget for recreational activities. Lack of dedicated personnel to focus on wellness programmes. 	<ul style="list-style-type: none"> Willingness of finance/medical institutions to participate Coordination of wellness/recreational activities at the level of a district 	Non-delivery of the municipal mandate due to a non-productive labour force.
Employee Performance Management	<ul style="list-style-type: none"> Some Job descriptions are in place. PMS policy is in place. PMS implemented at section 54 and 56 managers 	Performance management not cascaded to levels below section 54 & 56 managers. Not all employees have signed job descriptions.	Employees below section 54 and 56 managers acceding to cascading of PMS.	Non-delivery of the municipal mandate due to poor productivity.
Fleet Management	<ul style="list-style-type: none"> Fleet management policy in place. Installation of tracker system in some municipal vehicles. 	<ul style="list-style-type: none"> Poor management of the municipal fleet (lack of promptness on fleet related matters due to lack of prompt reporting to fleet management unit, irregular fuel expenditure/ Irregular incorporation of fleet to one fuel card.) Tracker system not fully rolled out to all municipal vehicles High fuel consumption and maintenance costs of fleet. 	Consequence management	Non-delivery of the municipal mandate due to dysfunctional municipal fleet.
Occupational Health and safety	<ul style="list-style-type: none"> Adopted Occupational health and safety policy in place. Health and safety committee is in place. 	Inconsistent sitting of the Occupational health and safety committee due to meeting dates not incorporated to Council Calendar.	Consistent sitting of the OHS committee for a conducive and safe work environment.	Litigations against and adverse opinion due to non-compliance with Occupational health and safety act.



Registry	<ul style="list-style-type: none"> • Approved file plan in place. • Approved Records management policy in place. 	<ul style="list-style-type: none"> • Lack of an electronic records management system. • Insufficient personnel. • Inefficient manual records management system. 	Improved safeguarding of the institutional memory (municipal hard and electronic information)	<ul style="list-style-type: none"> • Non-compliance with archives act • Loss/inability to access with ease critical and valuable information
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3.4.5.5 COMMUNITY SERVICES & SOCIAL NEEDS

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Waste Management	<ul style="list-style-type: none"> • Integrated waste management plan in place. • Licenced and operational landfill sites. 	<ul style="list-style-type: none"> • Lack of equipment in both landfill sites. • Lack of capacity (skills and human capacity). • Non-compliance in terms of medical inspection for workers. • Ineffective implementation of bylaws. 	<ul style="list-style-type: none"> • Recycling programme. • Generation of revenue through waste disposal. 	<ul style="list-style-type: none"> • Land availability • Vandalism of site fence • Resistance to pay for waste disposal. • Adverse audit opinion due to noncompliance waste management laws and regulations.
Pounds	<ul style="list-style-type: none"> • Pounds with requisite infrastructure in place (Khowa and Cala). • Generation of revenue through pound services. 	<ul style="list-style-type: none"> • Ineffective security/safe guarding of the pound. • Lack of reconciliation of the pound register to the financial revenue reports. • Lack of pound bylaws/policy. • Insufficient capacity (rangers and pound truck not in place). 	Disposal of livestock impounded for more than 3 months.	<ul style="list-style-type: none"> • Vandalism of the pound infrastructure. • Theft of impounded livestock.



Libraries	<ul style="list-style-type: none"> Functional libraries with requisite infrastructure in place (Khowa and Cala). Modular library in place and functional in Askeaton. Policies and procedures in place. Computerised library stock register (Khowa and Cala). Library security systems and security officers in place. Conducive work relationship with DSRAC. 	<ul style="list-style-type: none"> Security officer and security system not in place at Askeaton. Utilisation of a Manual book register. 	Maximise and leverage support from DSRAC.	Exposure to vandalism (Askeaton library).
Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Traffic Dept.	<ul style="list-style-type: none"> eNatis in place. Vehicle Testing Station in place. 	<ul style="list-style-type: none"> Insufficient human capacity. Insufficient revenue generation (currently only collecting from law enforcement ticket and renewed driver licences. Insufficient law enforcement equipment (speed trap camera, guns and handcuffs). Inadequate law enforcement plan. Lack of reconciliation of tickets issued to revenue collected. 	Revenue generation through learners, drivers testing and Vehicle Testing Station.	<ul style="list-style-type: none"> Loss of revenue through fraud and corruption. Adverse audit opinion due the noncompliance with the Road Traffic Act.



Cemeteries	<ul style="list-style-type: none"> Land availability. Demarcated cemeteries in place. Some cemeteries are fenced. 	<ul style="list-style-type: none"> Lack of a cemetery managing policy and / or by-law. Not all cemeteries are fenced. Under collection of revenue (Khowa cemeteries). Lack of a cemetery management system. Cemeteries not safeguarded. 	Revenue generation through selling of graves instead of sites	<ul style="list-style-type: none"> Communities not willing to pay for graves. Communities not adhering to bylaws.
Recreational Facilities	<ul style="list-style-type: none"> Existing recreational facilities. Approved Maintenance budget in place. 	Lack of maintenance plan for halls and sports facilities due to ineffective implementation of the maintenance plan.	Revenue generation through hiring-out of rural community halls.	Vandalism of sports field and community halls.



3.4.5.6 BUDGET AND TREASURY

Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Revenue Management	<ul style="list-style-type: none"> Revenue Management policy in place. Finance system/Billing system in place. Approved valuation roll in place. High collection rate of billed rates income. 	<ul style="list-style-type: none"> Revenue enhancement strategy not in place. Deed of sales to be issued to owners. Reduce debtor's book. Traffic department not generating revenue. Low in Cash reserves, (nonpayment of municipal services) Non-implementation of By-Laws relating to municipal land and buildings. 	<ul style="list-style-type: none"> Belt-tightening from National Treasury. Building up cash reserves through collection of outstanding debtors. Revenue enhancement: negotiate with other parastatals to assist with cut off list. Proper implementation of credit control policies will enhance revenue collection. 	<ul style="list-style-type: none"> Community not willing to pay for services Land invasion.
Supply Chain Management	<ul style="list-style-type: none"> Approved SCM policy in place. Requisite SCM processes in place and functional. Compliance with the SCM regulations and policy. 	<ul style="list-style-type: none"> Lack of and /ineffective implementation of the procurement plan. Irregular expenditure. Unauthorised expenditure and budget overspending. 	Adherence to the procurement plan to advance service delivery.	Fraud and corruption.
Budgeting	<ul style="list-style-type: none"> Approved Budget policy in place. Budget aligned to the IDP Budget compliant to MSCOA. Compliance with the MFMA. 	Organogram not populated.	SCOA implementation as an institutional transformation.	<ul style="list-style-type: none"> Rapid change in financial reporting standard. SCOA implementation (Financial Challenge). Unstable economy.
Expenditure management	<ul style="list-style-type: none"> Expenditure policies in place. 	<ul style="list-style-type: none"> Organogram not populated. Business continuity management 	<ul style="list-style-type: none"> Capacity Building. 	Non-compliance with conditional grants could lead to withdrawal of the grant.



Core Function	Key Strengths	Key Weaknesses	Opportunities	Threats
Financial Reporting	<ul style="list-style-type: none"> Compliant with MFMA (suppliers paid within 30 days). Prudent safeguarding of payment documents. 		<ul style="list-style-type: none"> □ Budget and expenditure reports not consistently disseminated to user departments for effective monitoring of budget spending. 	
	<ul style="list-style-type: none"> Improved Audit opinion (Unqualified). Credible Annual Financial Statements. Good relationship with the AG. 	<ul style="list-style-type: none"> Organogram not populated. Consistent utilisation of consultants in the finance department. Business continuity management 	<ul style="list-style-type: none"> Capacity Building. Leverage on the relationship with the AG for capacity building initiatives. Transfer of skills during preparation of municipal financial statements through direct inclusion of finance stuff. 	<ul style="list-style-type: none"> Adverse opinion due to non-credible financial statements Rapid change in financial reporting standards.
Asset Management	Approved Asset management policy in place.	□	<ul style="list-style-type: none"> □ Donations of municipal assets e.g. Municipal Halls, chairs and recreational areas. □ 	□



3.5 NKPA-GOOD GOVERNANCE & PUBLIC PARTICIPATION PROFILE

IDP reviews & MEC Assessment Response Plan

This document represents an IDP review for implementation in 2017/2022. It is revised in accordance with among others the points that were raised in the previous report of MEC assessment. Following the receipt of the assessment report from Provincial department of local government and traditional affairs, the planning task team set out a process to attend to all concerns raised. This report is drawn in accordance with the flow of the assessment guideline and attempts to respond directly to all concerns raised.

Governance systems

The municipal council is the highest decision making body in the organization. It is chaired by the Speaker. Under the new council arrangements, Sakhisizwe has both a Council Speaker and Municipal Mayor

At least council seats every quarter unless a need arise for a special council meeting which is often called at the request of the Speaker. Council takes decisions on all aspects of municipal governance and ensure that management implements their decisions.

An IDP is adopted together with a 3 year budget (+SDF, SDBIP & PMS) at the beginning of the council term to guide municipal decision for implementing development, regulating local affairs and guiding administration.

In order to manage the day-to-day routine tasks of governance, Sakhisizwe has put in place committees headed by portfolio councillors and linked to administrative line functions. These committees work with managers to implement IDP and monitor compliance with council policies and decisions. In the course of implementation, operations interface with external stakeholders through management representations in various forums.

Inter- Governmental Relations

In compliance with intergovernmental relations act, Sakhisizwe LM has established Intergovernmental Relations Forum (IGR) and is chaired by Mayor which serves as a platform for facilitating bottlenecks and critical decisions aimed at fast tracking joint development objectives by government and its stakeholders. Sakhisizwe LM has a functional IGR.

IGR meetings are held each and every quarter. Linked to this mandate to the office of the municipal manager is the requirement to ensure good working relationship with community development workers (CDW) in all wards.

Public Participation & Promotion of Local Democracy

In a bid to promoting effective involvement of communities and thereby implement the requirements of the systems act chapter 4, Sakhisizwe LM resolved to review all its future IDPs through a ward based planning approach. Sakhisizwe LM established 90 ward committee (10 per ward). They were inducted and are fully functional. They are kept abreast of information and are regularly capacitated in line with the Institutional WSP. Ward plans have been developed for all wards in February 2017.

A public participation strategy is in place and utilised to guide engagement between council, administration and community stakeholders. The strategy outlines key mechanisms recommended for enhancing community mobilization for effective participation in key municipal activities including planning, performance management and service delivery implementation processes.

A newsletter and regular mayoral report back Imbizos are also planned for the year ahead to enable constant flow of information between the council, its administration and local communities on the



affairs of the municipality. Mayoral Imbizos, IDP Rep forums and Road shows sit according to the IDP Process Plan.

All wards have established **War Rooms**. The War Rooms constituted the Ward Councillor, Ward Councillors, Communities, Sector Departments and the Municipality. The purpose of the War Room is for the communities to engage on issues that affect the ward in the presence of all sector departments in order to provide assistance and responses to the challenges raised. The issues raised in the War Rooms are cascaded to the Municipal War Room and thereafter to District War Room.

Special Programmes

The municipality supports the transformation of our society through facilitating a range of interventions aimed at mainstreaming participation of the vulnerable groups in society. The following are key areas of that SPU will be implementing projects in 2017/22 in order to promote the mainstreaming of the vulnerable groups in society.

- Capacity Building SPU Co-ordinator
- Stationery and running Costs
- Women's Forum
- Elderly Forum
- Disability Forum □ Youth Council
- Mayor's Cup
- Special Programmes Strategy
- Children Advisory Forum
- Sport Council
- HIV/Aids Council
- Social Cohesion
- Sustainable Development Agenda and Climate change

Inter-municipal planning and joint delivery of strategic programmes

Sakhisizwe LM collaborates with its neighbouring municipalities in implementing strategic programmes of mutual concern such as for example:

- Tourism Heritage Route with Engcobo, Emalahleni and Intsika Yethu LMs + CHDM
- Agri-Packs
- Charcoal and Sawmiller Development
- Disaster Management and emergency relief
- Discussions in preparation of the planned SDI (special development initiatives) within CHDM
- District plans and implementation coordination task teams

□

Anti-corruption Strategy

Sakhisizwe LM has adopted an anti-corruption stance and promotes anonymous reporting of any perceived corrupt activities by its employees and councillors or even by service providers engaged by the Sakhisizwe LM.

Members of the public are also allowed to approach the office of the Mayor or Municipal manager with information if they feel that certain behaviours by our members are suspicious.

Audit Committee

The municipality has its own audit committee for internal audit and Performance Management Systems.

At a recent strategic planning session held in March 2017 the municipality recommended to council that it considers appointing an additional Audit Committee member to make them four in 2018.

Customer care relations

In order to promote a good culture of cooperation between the municipality and its paying customers including all those who receive a service from Sakhisizwe, a customer relations framework will be



developed. Suggestions at the consultative processes recommended the consideration of current offices in places like Khowa to be utilised as customer interface centres after the consolidation of administration in the new premises at Cala. It was also proposed through the IDP/SDF consultation processes that to give rise to the planned secondary nodal points in Lower Lafuta, a one stop centre be planned and developed in the near future so as to minimise the costs of accessing services to our rural households.

Good governance is a key priority for the municipality. Our emphasis will be on:

- Implementing democracy through investment in public participation and ward capacity building programmes including ward based planning;
- Fighting tendencies of corruption in our system;
- Increasing trust and support from our communities and also ensuring the maintenance of a good image and profile for the municipality;
- Implementing community outreach initiatives such as those activities undertaken in the special programmes unit (focusing on youth, women and disabled);
- Attainment of a clean audit outcome within two prior to installation of the next council; and
- Putting in place effective systems and processes for improving council oversight and administrative accountability through implementation of functional PMS and SDBIP regular reporting.



CHAPTER 4: SPATIAL DEVELOPMENT STRATEGY

4.1 SPATIAL DEVELOPMENT FRAMEWORK

Sakhisizwe Local Municipality developed a 5 year Spatial Development Framework in 2018/19 and submitted to Council for adoption on the 31st May 2019. The document is aimed at providing a spatial policy perspective to this IDP as well as guide future planning decisions about space development. This SDF is based on the following set of objectives and principles.

- restructure spatially inefficient settlements;
- promote the sustainable use of the land resources in the country;
- channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;
- stimulate economic development opportunities in rural and urban areas; and
- Support an equitable protection of rights to and in land."

The various principles and directives can be translated into a set of collective development objectives in accordance with the national agenda that form the overarching objectives of the Spatial Development Framework, namely -.

- To promote sustainable development;
- To promote efficient development;
- To promote equitable development;
- To ensure integrated development, and
- To improve the quality and image of the physical environment.

Legal framework

The Systems Act is the overarching piece of legislation that guides and informs this SDF. In terms of Section 26(e) of the Local Government Municipal Systems Act (Act No. 32 of 2000), every Municipality is required to formulate a Spatial Development Framework as part of the contents of its Integrated Development Plan (IDP). The Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act determine the content of such a Spatial Development Framework. It requires the municipality to:

- a) Identify the key spatial development features (trends and dynamics) currently applicable in the Sakhisizwe Municipality;
- b) Establish clearly the objectives of the Sakhisizwe Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- c) Identify the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These should focus on establishing a clear hierarchy of settlement and delineating Special Development Areas, which are: -
 - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 - Areas where priority spending is required (areas of special need)
- d) Illustrate the above information on maps and plans; and
- e) Set out basic guidelines for a land use management system in Sakhisizwe Municipality (i.e. how the Municipality anticipates that it will manage land use development and land use change over a five-year period).

**Ensuring a uniform planning system**

The Land Use Management Bill (2001) and the Green Paper on Development and Planning (1999) are particularly important guiding pieces of legislation for the SDF in that they seek to provide for the establishment of a new unitary planning system in SA. This new set of legislation will enable municipalities to better understand the required content of spatial and land use management plans and thus level the ground for smooth implementation of the LG Systems Act: 2003 (as amended)

Providing a national spatial planning framework

The National Spatial Development Perspective is a new initiative by government which sets a national framework to guide infrastructure investments and development decisions. In order to guide development agencies understand their potential and therefore choose appropriate spatial development strategies for their growth, the NSDP suggests six categories of (covering about 315 magisterial districts) areas (spatial development potential):

- Innovation and experimentation (27)
- High value differentiated goods (45)
- Labour intensive mass produced goods (62)
- Public service and Administration (73)
- Tourism (60)
- Service and Retail (48)

In terms of the analysis of Sakhisizwe potential index, the area has potential in Agricultural development, Tourism resources such as the Cultural Tourism industry and less potential in the Innovation and experimentation through its limited urban centre with no developed consumer base.

The provincial framework

The Eastern Cape Spatial Development Plan and especially the EC Growth and Development Strategy provide a guiding framework for spatial economic development in the province as whole. In terms of the EC SDF there are three levels at which government is planning to intervene in the development of the province's spatial economy.

The EC PGDS identifies six key focus areas for priority spatial investments in the short term and these include the following:

- a) Agrarian development and food security
- b) Fighting poverty
- c) Public sector transformation
- d) Infrastructure development
- e) Manufacturing diversification and Tourism
- f) Human Resource Development



Introduction

This document represents the review of the Spatial Development Framework (SDF) for the Sakhisizwe Local Municipality (SLM) and is prepared as an integral part of the Municipality's Integrated Development Plan (IDP 2018 - 2019). Furthermore, the Spatial Planning and Land Use Management Act (SPLUMA) (Act 16 of 2013), and specifically Section 20, provides that the Municipal Spatial Development Frameworks be prepared as part of the Municipality's Integrated Development Plan in accordance with Section 26(e) of the Local Government: Municipal Systems Act (MSA) (Act 32 of 2000).

The document provides an interpretation in spatial terms of the key needs and responding programmes as set out in the Sakhisizwe IDP (2018 -2019) and draws conclusions as to the main requirements of the SDF to guide responsible authorities and role players in development decisions that are wise and sustainable in meeting the development needs of the people who live in the area. Furthermore, the document reflects the changes to the municipal boundary of Sakhisizwe, as promulgated in 2016 and includes updated data, where available.

Overview of the Study Area

Sakhisizwe Local Municipality is classified as category B Municipality in terms of the Municipal Structures Act and it is an administrative area within the Chris Hani District Municipality (CHDM) of the Eastern Cape Province in South Africa. The Sakhisizwe Local Municipal Council is the ultimate political decision-making body of the LM and consists of 9 wards with 19 councillors.

It is approximately 113km east of Komani (Queenstown) which is the District's administrative centre. The two urban centres within the LM, Cala and Khowa (Elliot) are situated 33km apart. Cala consists of the suburb of Cala Town, Cala Reserve, California, Phakamisani, Bathandwa Ndondo and Manzimdaka communities, whilst Khowa (Elliot) includes Khowa (Elliot) Town, Masibambane, Polar Park, Takalani and Old Location communities. The rural areas of both towns are mostly commercial farms.

Development Opportunities and Challenges

Development Opportunities

- The bio-physical resources of the area, in respect of the topography, soils, climate, hydrology and vegetation have great potential for forestry development, arable crop farming, and livestock production.
- Large parcels of undeveloped land: The municipality has large parcels of undeveloped land for human settlements, agro processing industry development, etc.
- Tourism Potentials: The SLM has a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, and water sports facilities.
- Biodiversity conservation initiatives: SLM has rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Blending and integration of tourism and heritage resources: There is availability of tourism and heritage resources in the municipal area as well as the neighbouring municipalities which can well be blended and integrated into the future tourism planning and development initiatives by the SLM.
- Availability of water resources: There is availability of water resources (rivers) for water supply for domestic, agriculture and other LED activities
- Migration: Migration (internal or cross border) is a feature of African livelihood and provides opportunities for development, for example, remittances to home areas contribute to household livelihoods.



- Close proximity to Queenstown (Komani): The SLM is in close proximity to other business, administrative, commercial, and employment areas, such as, Queenstown (Komani).
- Willingness of the private sector involvement in the local economic initiatives: There is willingness of the private sector involvement in the local economic initiatives, for example, forestry, agriculture and tourism development, within the area, if conducive environment is provided by the municipality.
- Availability of external funding sources: There is availability of external funding sources from various institutions to support infrastructure and other developmental programmes within the area, for example, MIG funding.

Development Challenges

- Basic infrastructure and service delivery - The municipality have huge backlogs in water, sanitation, electricity, refuse, and road network. There are also other challenges such as poor accessibility of facilities and quality outputs affecting education, health, public transport, social development and safety and security. These challenges militate against the strength of the municipality to better the lives of our people.
- Economic development and environment - SLM has an underperforming local economy since it is unable to adequately deal with strategic challenges such as poverty, unemployment and low revenue base due to limited scientific knowledge in the agriculture, forestry, and other economic sectors in SLM. An LED strategy has been developed to institutionalise responses of the municipality to LED.
- Lack or inadequate institutional capacity and development - The municipality is still unable to perform all expected mandates in terms of assigned powers and functions due to administrative and other technical and professional capacity constraints.
- The dispersed nature of the settlement pattern as well as sprawl development in the area has led to spatial fragmentation and high cost in service provision.
- The communal land tenure and ownership problems in the rural areas do not promote large scale development initiatives in the area.
- High unemployment rate: There is high unemployment rate (45.5%), low income level (65.6% of households earn less than R3200 per month) and high grant dependency. imply that the area is characterized by poverty and low standard of living and this has negative implication on affordability levels of the households in terms of payment of service provision and other social challenges to the municipality.
- Threatening of the bio-physical resources: The bio-physical resources in the area are being threatened by improper human activities, (such as, uncontrolled growth and development of human settlements, inappropriate farming activities and uncontrolled mining activities). These have negative consequences on soils degradation, loss of valuable vegetation and agricultural land and water contamination. These losses of the bio-physical resources are partly due to lack of coherent land use management system and conservation planning of the natural resource measures.
- The mountainous and rugged nature of the topography is an obstacle to the development of an integrated communication network to effectively link all sectors of the SLM and the adjoining LMs. Also, there is a poor movement linkage between rural areas and urban centres due to poor road conditions and this has led to uneven development between rural and urban areas.
- Natural disasters e.g. tornadoes, floods, drought and veld fires negatively impact on the area and its potentials.
- There is competition from neighbouring municipalities in LED initiatives, e.g. tourism development and development funding from government and other private source for development.
- No effective legislation in place to address land ownership and tenure issues within the rural areas of SLM.



Spatial Planning Principles

The attainment of the vision and objectives alluded above requires the Municipality to facilitate the development of a spatial system that is underpinned by various normative principles. The Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) is the foremost spatial planning legislation in the country. Hence, it is pivotal that all spatial plans in the republic adhere to the principles advocated by SPLUMA. The guiding principles can summarised as follows:

- **Spatial sustainability:** the principle of spatial sustainability requires sustainable management and use of the resources making up the natural and built environment.
- **Good administration:** this principle suggests the adoption of an integrated approach in spatial planning and land development, particularly by all spheres of government.
- **Spatial justice:** the principle of spatial justice aims to redress the spatial imbalances of the past through improved access to land and efficient use of land.
- **Spatial resilience:** the principle of spatial resilience advocates for the formulation of spatial plans that will help ensure the creation of sustainable livelihoods, particularly in communities highly vulnerable to climate change and concomitant natural calamities.
- **Efficiency:** the principle of efficiency advocates for frugality in the use of resources such as land and optimal use of existing infrastructure.

Spatial Development Strategies

Guided by the spatial vision, and development principles and objectives which support sustainable development within the Sakhisizwe municipal area, the following development strategies were proposed for Sakhisizwe SDF:

- Consolidate and integrate spatial development by developing land in proximity to public transport and existing services.
- Identify “Special Development Areas”, that is, areas of particular development potential or areas where priority spending is required (special needs areas) – nodal centres, development corridors, special development areas.
- Develop a settlement pattern which conforms to the approved zonal policy of Chris Hani District Municipality Land Reform and Settlement Plan that meets the particular requirements of the municipality.
- Create sustainable human settlement with quality physical, economic and social environments.
- Planning for densification/infill and careful expansion of existing settlements on productive agricultural resources.
- Promote integration of spatial development by means of efficient transport network system.
- Support a land reform and settlement development programme by identifying zones of opportunity for land development.
- Develop a sustainable local Land Use Management System to promote coordinated, harmonious and environmentally sustainable development.

Spatial Development Proposals

Settlement Nodes and Hierarchy

The Sakhisizwe LM's SDF Review identifies certain settlement nodes and hierarchy in line with levels of investment. The various settlement nodes and hierarchy are as follows:

Node Type	Spatial Development Priorities
Primary Node	<ul style="list-style-type: none"> • There is a great need for a small town regeneration strategy for the entire Cala Town to cater for the existing mixed land use nodes – administrative, social and economic node and concentration of different activities and services for effective functioning of the town. For example, <ul style="list-style-type: none"> ○ Cala Town Central Business District (CBD) requires revitalization and associated precinct or local planning to cater for mixed use development activities.
Cala Town	



Node Type	Spatial Development Priorities
	<ul style="list-style-type: none"> ○ There is a need for urban aesthetics. ○ There is a need for infrastructure and social facilities provision and upgrade to cater for existing and future expansion of the town. • A need for light industrial development area focusing on the processing of raw materials from the region is required in the town. • Strengthening of the following activities in Cala Town: <ul style="list-style-type: none"> ○ Development of a strong commercial activity zones to service the town and the entire municipal area. ○ Location of regional and district offices of various government departments and service delivery departments. ○ Location of a higher institution (TVET College) to cater for the higher educational needs of the Municipal area. • The need for Sustainable Human Settlement Programme in the form of public and private funded housing development (including social and rental housing on vacant land parcels within the CBD and adjoining areas). • Proper Land Use Management and Land Administration system in the town. • Delineation of Urban Edge and formulation of Commonage Management Plan.
Secondary Node Howa (Elliot)	<ul style="list-style-type: none"> • This is a “major sub-regional node” within SLM where higher to medium order community facilities such as a hospital, schools etc. should be “focused and/or improved” in order to ensure that a great number of both urban, peri-urban and rural residents are served in a more efficient and effective way. • Ideally, this “node” located in close proximity to public transport routes to ensure maximum accessibility to urban facilities. • Commercial activities serving the whole local municipal areas and the surrounding areas. • Light industrial development focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – (agri-processing centre). • Need for local planning (small town regeneration) to maximize use of resources. • Provision and upgrade of existing infrastructure and social facilities. • Provision of public-funded and private-funded housing (including social housing, high density rental high rise housing) on vacant land parcels within the CBD. • Strengthening of the commercial centre to include a “mall” to service the town and the catchment area. • Development of local land use scheme to be negotiated. • Environmental Management (protection of natural and cultural resources).
Tertiary Nodes (Rural Service Centre) • Lower Lufuta • Upper Lufuta	<ul style="list-style-type: none"> • These are “rural service centres” where medium to lower order community facilities can be “focused” or “bundle” in order to ensure that a great number of rural residents are served in a more efficient and effective way. • Local planning to maximize use of resources. • Provision and upgrade of infrastructure and social services. • Public-funded rural housing provision. • Strengthening of the following activities in major rural service nodes: <ul style="list-style-type: none"> ○ Creation and development of low-key commercial centre with facilities to service the villages and their catchment areas. ○ Location of public facilities, such as, community halls, junior and senior primary schools, senior secondary schools, mobile clinic services, sports field, transportation facilities, (if not available) to serve the villages and their catchment areas. • Local (rural) land use scheme to be negotiated. • Environmental Management (protection of natural, agricultural and cultural resources).
Rural Villages	<p>All other existing villages in the SLM are areas of greatest need, requiring special investment to upgrade levels of service to the accepted minimum level so as to improve the level of well-being of the communities. It should involve investment in basic infrastructure, poverty alleviation and rural livelihood programmes and projects.</p>



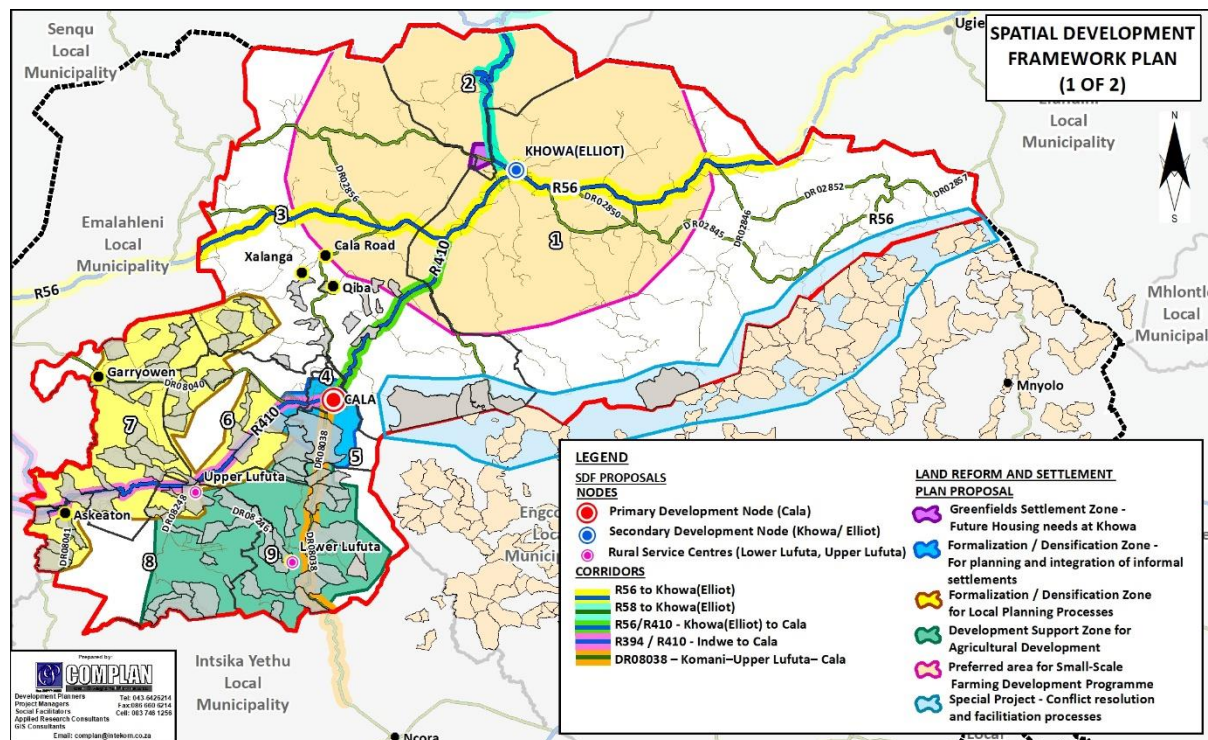
Development Corridors

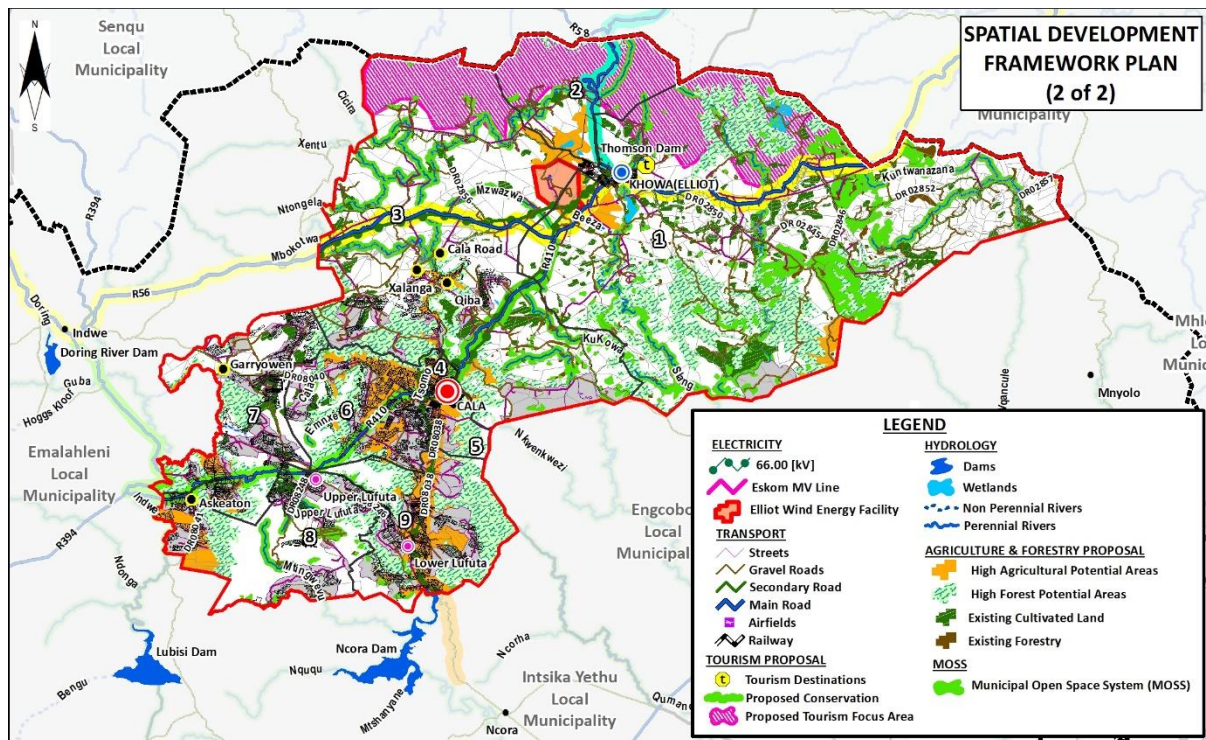
Development corridors include transport routes linking various parts of the municipality and the district, usually associated with the movement of people, goods and services between nodes. They have the potential to accommodate mixed land uses, agriculture, forestry, tourism and mining activities.

Mobility routes, for example, tend to focus on transporting people, goods and services between nodes. They can also perform as commercial activity routes where retail land use tends to be consolidated along the main transport routes. The major roads especially “district roads” normally with economic activities in the municipality are classified as primary, secondary and tertiary corridors.

Key transportation and accessibility corridors in the Sakhisizwe LM, which need improvement include:

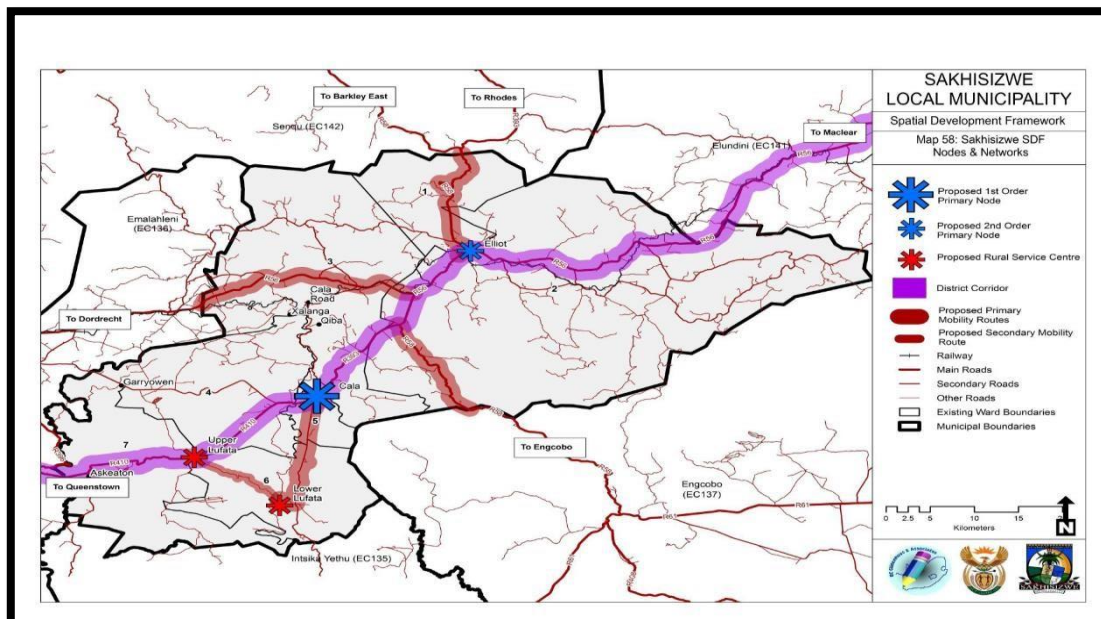
- R393 from Cala – Khowa (Elliot);
- R56 from Khowa (Elliot) – Maclear in Elundini LM;
- R410 from Queenstown (Komani) – Upper Lufuta – Cala; and
- R58 linking R393 to Dordrecht.
- In addition to these main corridors, there is a network of smaller minor roads linking various farming and rural commercial activity areas within the municipality.





SDF

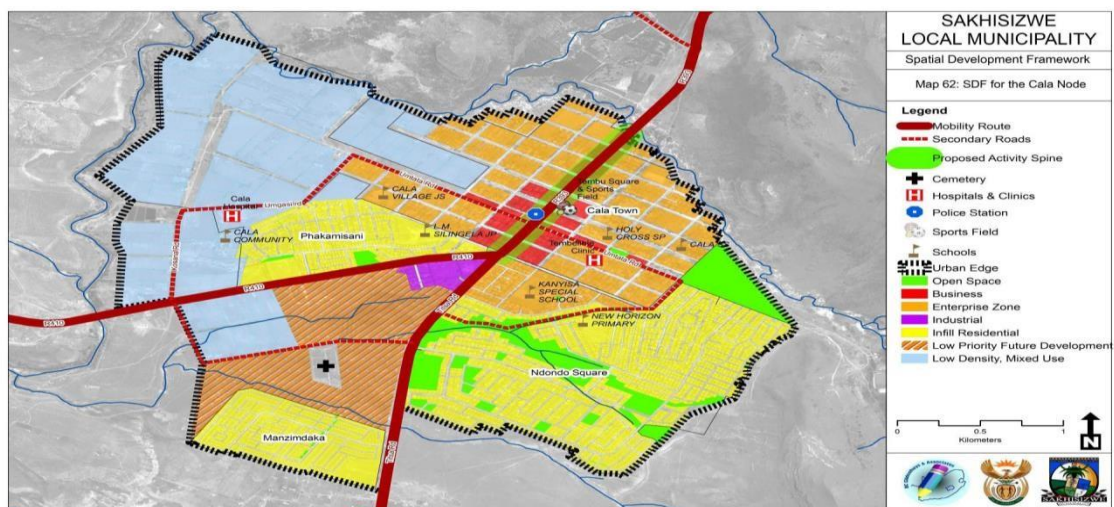
The overall framework for Sakhisizwe LM



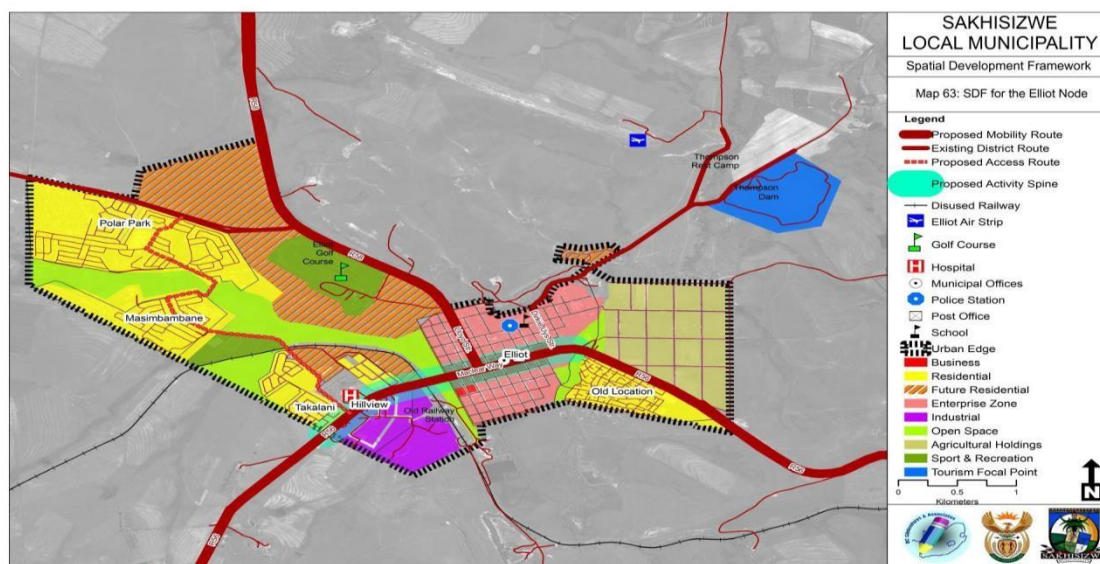


1.7 Land Use Management framework (Cala & Khowa)

Cala Land Use Management framework



Khowa Land Use Management framework





CHAPTER 5: POLICY FRAMEWORK AND STRATEGIC MAPPING

5.1 LEGISLATIVE AND OTHER MANDATES

1.1.1 Constitutional mandate

The Constitution of the Republic of South Africa (Act 108 of 1996) provides the national central framework for the work of all municipalities in South Africa. Chapter 3 outlines the principles of cooperative government and intergovernmental relations, which all spheres of government and organs of states should observe and adhere to.

1.1.2 Legislative mandate

The White Paper on Local Government (1998) and the subsequent package of related legislation (outlined below) provide the national context for local governance across the country.

1.1.3 Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)

This Act aims to provide criteria and procedures for the determination of municipal boundaries by an independent authority.

1.1.4 Local Government: Municipal Structures Act, 1998 & Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Together these Acts describe the political decision-making systems which apply to different categories of Municipalities. They define the powers and duties of various role players, regulate the delegation of powers and provide a code of conduct to govern both councillors and officials. In so doing, they provide the benchmark against which Provincial Government needs to regulate, monitor, support and coordinate Municipalities under its jurisdiction.

1.1.5 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)

This Act aims to secure sound and sustainable management of the financial affairs of Municipalities as well as to establish norms and standards against which the financial affairs can be monitored and measured.



1.1.6 Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

This Act aims to establish a framework for national government, provincial governments and Municipalities to promote and facilitate intergovernmental relationships, and to provide mechanisms and procedures to facilitate the settlement of intergovernmental disputes.

1.1.7 Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)

This Act provides a framework for spatial planning and land use management in the Republic, specifies the relationship between the spatial planning and the land use management systems and other kinds of planning, provides for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government, provides a framework for the monitoring, coordination and review of the spatial planning and land use management system, provides a framework for policies, principles, norms and standards for spatial development planning and land use management, addresses past spatial and regulatory imbalance, promotes greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decisions and development applications, provides for the establishment, functions and operations of Municipal Planning Tribunals, provides for the facilitation and enforcement of land use and development measures, and provides for matters connected therewith.

1.2 Other Local Government Legislation

In addition to its constitutional mandate, local government is guided by other pieces of legislation, namely:

- Local Government Laws Amendment Act, 2008 (Act 19 of 2008);
- Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998); and □
- Consumer Protection Act, 2008 (Act 68 of 2008);

1.3 Local Government Policy Mandates

The following also provide the policy framework for local government:

- White Paper on Local Government, 1998;
- National Local Government Turn Around Strategy 2009;
- Local Government Anti-Corruption Strategy, 2006;
- National Back to Basics Strategy, 2014; and
- Batho Pele principles;

- 1.4 **Policy Framework for the Government-Wide Monitoring and Evaluation System (2005):** Government institutions are to adopt a monitoring and evaluation (M&E) strategy that outlines how the M&E findings inform planning, budget formulation, execution and annual reporting.

1.5 Framework for Managing Programme Performance Information (2007):

Focuses the attention of the public and oversight bodies on whether public institutions are delivering value for money by comparing actual performance plans against budgets and service delivery plans.

1.6 National evaluation policy Framework (2011):

The framework provides the basis for a minimum system of evaluation across government.

5. Outline of the Strategic Planning Session

5.1. Description of the Strategic Planning Process

Priorities of the Strategic Plan were developed through a process of Council input, stakeholder and public engagements and a consolidation of previous studies conducted by the municipality. The



strategic plan balances the priorities against opportunities and challenges, while supporting the principles of community sustainability. The goal of the Strategic Plan is to guide the responsible use of resources, effectiveness and efficiency in municipal service delivery and accountability to citizens, Council and stakeholders.

Sakhisizwe Local Municipality (SLM) held a Council 5- year Strategic Planning session from the 23rd to the 24th of March 2017 in Cala. The session was attended by members of Council, the Executive Committee, traditional leadership and Heads of Departments. Stakeholders from organised labour were also invited to give take part in the session, so as to solicit their input into the formulation of the municipality's strategy, and to also strengthen working relations, amongst other things.

The 2019/20 is the third review of the 2017/2022 IDP. The Strategic Planning Session held on has reviewed the strategic objectives of the IDP to ensure that they meet the SMART principles.

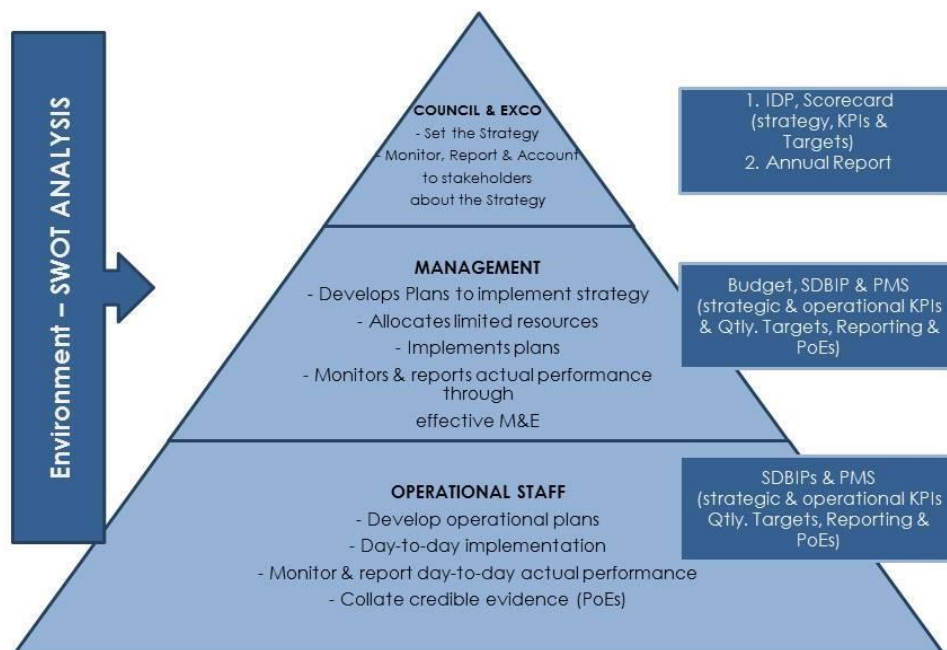
STRATEGIC OVERVIEW

Institutional Operational Strategic Analysis

A Strategic Planning was held Cala in 23-24 March 2017 to provide a platform for the institution to introspect and assess progress with regards to their operational performance while also identifying strategic gaps that need to be rectified in order to improve overall organizational performance. The session was attended by the municipal officials and management as well as various strategic stakeholder partners of SLM.

Each line functional department was requested to conduct a self-diagnosis (SWOT analysis & state key achievements and shortfalls relating to its mandate) as a basis for discussion at the strategic planning session.

6. Strategy Planning and Mapping Model of SLM Roles and Responsibilities



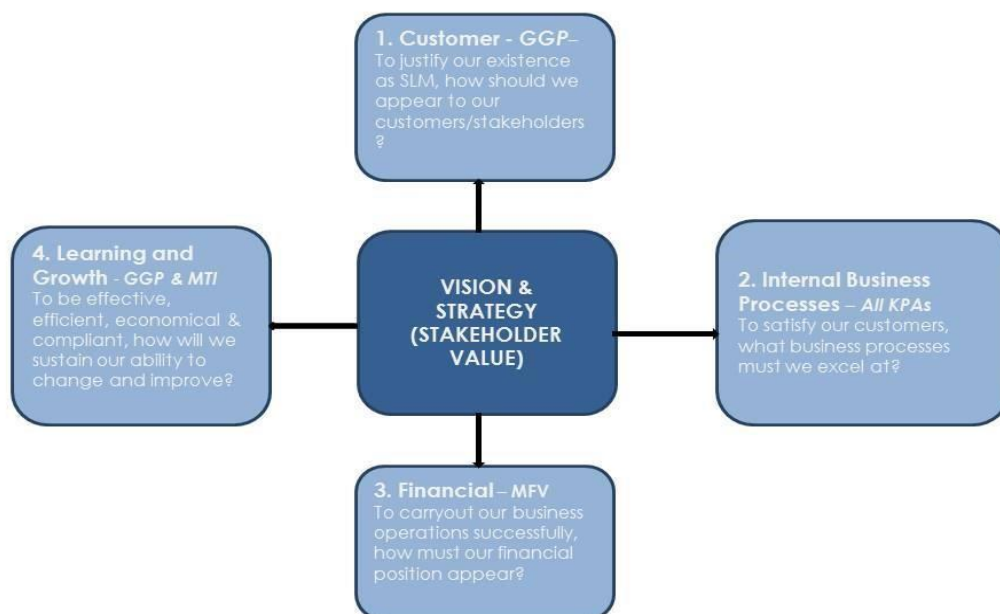


Balanced Scorecard Approach

2 BROAD STRATEGIC DEVELOPMENT OUTCOMES

In order to realise the chosen vision, the municipality commit to achieving the following broad strategic development outcomes.

- Sustainable service delivery & economic growth
- Poverty eradication and job creation
- Clean corruption-free governance, characterised by high performance culture
- Functional developmental LG – good governance systems and public participation
- Incremental capacity building and political maturity



2. Vision

“To be a financially sustainable and socio-economically transformed municipality by 2030.”

3. Mission

“We will provide quality sustainable service delivery, through prudent financial management and collaboration with our communities.”

4. Core Values

The Municipality’s core values are:

Value	Value Statement
Diligence	Self-driven public representative and management team, communities to serving the people, assertive in representing the interests of Sakhisizwe inhabitants



Promptness	Responding to matters of public and citizens' interests within reasonable time including acknowledging and keeping people informed process
Integrity	Transparency, honesty, good democracy ethics, impartial of matters of public good and interest and building a public service that transcends political and social boundaries
Accountability	Responsible, taking ownership, discipline efficient and implanting a culture of a demand driven development paradigm
Participative	Building a reciprocal relationship between management and all internal stakeholders, between council and administration, between labour and organizational leadership and between the municipality and its citizens
Responsive	Building a customer friendly municipal environment, ensuring a proactive, flexible, creative and quality conscious service delivery environment.
Considerate	Implanting a culture of compassionate, caring and emotional intelligent municipal environment that prioritizes its inhabitants, employees and councillors.

Strategic Outcome Oriented Goals

Guided by its constitutional mandate, the national as well as provincial priorities for the next five years, the Municipality has developed the following legislatively justifiable and attainable strategic goals which will drive its work over the period.

Strategic Goal 1:

Strategic Outcome Oriented Goal 1	Municipal Financial Viability
Goal statement	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems.
Justification	Increased financial sustainability and improved reduction in grant dependency to finance municipal strategic programmes.
Links	Strategic priorities and measurable outputs in the five-year plan (9.3)

Strategic Goal 2:

Strategic Outcome Oriented Goal 2	Service Delivery and Infrastructure Development
Goal statement	Eradicate backlogs in road infrastructure, improve access to services and ensure proper operations and maintenance.
Justification	Conducive road, water and sanitation infrastructure supports economic development and viability.
Links	Strategic priorities and measurable outputs in the five-year plan (9.1 and 9.2)

Strategic Goal 3

Strategic Outcome Oriented Goal 3	Public Participation and Good Governance
Goal statement	To promote a culture of community participation and good municipal governance.
Justification	Through an entrenched culture of accountability and clean administration, the financial affairs and viability of the municipality and business operations are improved and thus becoming more efficient, economical and effective.
Links	Strategic priorities and measurable outputs in the five-year plan (9.5)

Strategic Goal 4

Strategic Outcome Oriented Goal 4	Institutional Development and Transformation
Goal statement	Improve organizational cohesion and effectiveness.



Justification	A well capacitated institution and workforce supports and leads to a productive institution that is fully capable of delivering sustainable basic services to the community.
Links	Strategic priorities and measurable outputs in the five-year plan (9.4)

Strategic Goal 5

Strategic Outcome Oriented Goal 5	Local Economic Development
Goal statement	Create an environment that promotes the development of the local economy and facilitate job creation.
Justification	Increase economic viability of the municipality and ensure quantifiable sustainable job creation.
Links	Strategic priorities and measurable outputs in the five-year plan (9.1)



PART B: STRATEGIC PRIORITIES AND OBJECTIVES

7.1 Strategic Objectives and Priority Issues

The strategic priorities and objectives represent political and management decisions on aspects of service delivery that must be before others. These priorities are informed by aspirations of the community as a means to address inequality, poverty and unemployment.

In making such decisions on 2019/20 strategic priorities and objectives, the following were taken into consideration:

- National and Provincial Plans
- State of Nation Address
- State of Province Address
- Outstanding issues from previous Strategic Plan emanating from departments
- Mayor and Municipal Manager's Input
- Revenue Enhancement
- Auditor-General and Internal Audit findings
- Strategic and Operational Risks
- Facilitators' Reflections and Input

MUNICIPAL OBJECTIVES AND STRATEGIES

[illegible]



		MM02		Sitting of EXCO meetings as per the approved Council Calendar	No. of Executive Committee sittings as per the approved Council Calendar	4 Executive Committee meetings facilitated as per the approved Council Calendar	4 Executive Committee meetings facilitated as per the approved Council Calendar	4 Executive Committee meetings facilitated as per the approved Council Calendar	4 Executive Committee meetings facilitated as per the approved Council Calendar	MM's Office
		MM03		Sitting of STANCO meetings as per the approved Council Calendar	No. of Standing Committee sittings as per the approved Council Calendar	12 Standing Committee sitting as per the approved Council Calendar	12 Standing Committee sitting as per the approved Council Calendar	12 Standing Committee sitting as per the approved Council Calendar	12 Standing Committee sitting as per the approved Council Calendar	MM's Office
		MM04		Sitting of MPAC meetings as per the approved Council Calendar	Number of MPAC sitting as per the approved Action Plan	4 MPAC sittings as per Action Plan	4 MPAC sittings as per Action Plan	4 MPAC sittings as per Action Plan	4 MPAC sittings as per Action Plan	MM's Office
		MM05		Sitting of the Executive Management meetings as per the approved Council Calendar	Number of Executive Management Committee meetings coordinated as per approved Council Calendar	12 Executive Management meetings coordinated as the approved Council Calendar	12 Executive Management meetings coordinated as the approved Council Calendar	12 Executive Management meetings coordinated as the approved Council Calendar	12 Executive Management meetings coordinated as the approved Council Calendar	MM's Office

[illegible]



Audit, Risk and Fraud	MM11	Implementation of annual Internal Audit plan	% implementation of the adopted Internal Audit Plan	100% Implementation of adopted Internal Audit Plan	100% Implementation of adopted Internal Audit Plan	100% Implementation of adopted Internal Audit Plan	100% Implementation of adopted Internal Audit Plan	100% Implementation of adopted Internal Audit Plan	MM's Office
	MM12	Development and monitoring of institutional Risk Register	No. of Risk Register developed and implemented	1 Annual Risk Register developed	1 Annual Risk Register developed	1 Annual Risk Register developed	1 Annual Risk Register developed	1 Annual Risk Register developed	MM's Office
				4 Risk Management Reports submitted to Audit Committee	4 Risk Management Reports submitted to Audit Committee	4 Risk Management Reports submitted to Audit Committee	4 Risk Management Reports submitted to Audit Committee	4 Risk Management Reports submitted to Audit Committee	MM's Office
	MM13	Review of Internal Audit and Audit Committee Charters.	Adopted Internal Audit and Audit Committee Charter	Review and adoption of Internal Audit and Audit Committee Charters and Audit Plan	Review and adoption of Internal Audit and Audit Committee Charters and Audit Plan	Review and adoption of Internal Audit and Audit Committee Charters and Audit Plan	Review and adoption of Internal Audit and Audit Committee Charters and Audit Plan	Review and adoption of Internal Audit and Audit Committee Charters and Audit Plan	MM's Office
	MM14	Management of fraud	Number of Fraud prevention awareness campaigns conducted as per the annual plan	02 fraud prevention awareness campaign implemented	02 fraud prevention awareness campaign implemented	02 fraud prevention awareness campaign implemented	02 fraud prevention awareness campaign implemented	02 fraud prevention awareness campaign implemented	MM's Office



GG P04	Communications	MM15	To ensure efficient and credible communication with all our	Implementation of Communication Plan	No. of programmes implemented as per the annual	08 programmes implemented as per	08 programmes implemented as per the annual communication plan	08 programmes implemented as per the annual communication plan	08 programmes implemented as per the annual communication plan	08 programmes implemented as per the annual communication plan	MM's Office
			stakeholders on time by 2022		communication plan	the annual communication plan					
	Petitions	MM16		Monitoring of petitions received	% of Petitions received and responded to	90% of all Petitions registered and responded	90% of all Petitions registered and responded	90% of all Petitions registered and responded	90% of all Petitions registered and responded	90% of all Petitions registered and responded	MM's Office
		MM17		Development of the Customer Care Policy	Developed and adopted customer care policy by Council	Adopted Customer Care Policy by Council					MM's Office
	Customer Care	MM18		Customer Care	% of Customer Care queries received and responded to	100% of Customer Care queries received and responded to	100% of Customer Care queries received and responded to	100% of Customer Care queries received and responded to	100% of Customer Care queries received and resolved	100% of Customer Care queries received and resolved	MM's Office
GG P5	By-Laws and Policies	MM19		Review and development of new Municipal bylaws	No. of reviewed and developed Municipal By-Laws	All existing by-laws for review and 5 new developed by-laws	Pound by-laws Policies and Council resolution	KPI 48			All Depts.

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

[illegible]



	Organizational Structure	CORP 6	Review, adoption and implementation of organizational structure	Reviewed Organizational structure with the IDP	Reviewed Organizational structure with the IDP	Reviewed Organizational structure with the IDP	Reviewed Organizational structure with the IDP	Reviewed Organizational structure with the IDP	Reviewed Organizational structure with the IDP	Corporate Services
		CORP 7		No. of days taken to fill the vacant positions	90 days taken to fill the vacant positions	90 days taken to fill the vacant positions	90 days taken to fill the vacant positions	90 days taken to fill the vacant positions	90 days taken to fill the vacant positions	Corporate Services
MTI 2	Council Calendar	CORP 8	To provide administrative support to council and its committees by June 2019	Development of institutional and adopted calendar Council Calendar by Council	Reviewed and adopted Council Calendar by Council	Reviewed and adopted Council Calendar by Council	Reviewed and adopted Council Calendar by Council	Reviewed and adopted Council Calendar by Council	Reviewed and adopted Council Calendar by Council	Corporate Services
	Council Resolutions	CORP 9		Monitoring implementation of Council Resolutions	% of implemented Council Resolutions.	100% Implementation of council resolutions	100% implementation of the council resolutions	100% implementation of the council resolutions	100% implementation of the council resolutions	Corporate Services
	Fleet Management	CORP 10		Monitoring and management of fleet	No. of fleet reports on Fuel Consumption and Maintenance Costs submitted to Council	4 fleet reports on Fuel Consumption and Maintenance Costs submitted to Council	4 fleet reports on Fuel Consumption and Maintenance Costs submitted to Council	4 fleet reports on Fuel Consumption and Maintenance Costs submitted to Council	4 fleet reports on Fuel Consumption and Maintenance Costs submitted to Council	Corporate Services



	Council Oversight	CORP 12		Management of Council Support	% of All Council meeting minutes signed end of financial year	100 % of All Council meeting minutes signed end of financial year	100 % of All Council meeting minutes signed end of financial year	100 % of All Council meeting minutes signed end of financial year	100 % of All Council meeting minutes signed end of financial year	100 % of All Council meeting minutes signed end of financial year	Corporate Services
	Leave Management	CORP 15		Management of leave for all staff	No. of Leave Management Reports submitted to Council	04 Leave Management Reports submitted to Council	04 Leave Management Reports submitted to Council	04 Leave Management Reports submitted to Council	04 Leave Management Reports submitted to Council	04 Leave Management Reports submitted to Council	Corporate Services
	Administration	CORP 16		Departmental meetings sitting quarterly	Number of departmental meetings held	4 departmental meetings held	4 departmental meetings held	4 departmental meetings held	4 departmental meetings held	4 departmental meetings held	All Depts.

MTI 3	Performance Management	IPED 11	To ensure the implementation, monitoring and evaluation of the IDP and Budget by 2022	Implementation of the Service Delivery and Budget Implementation Plan (SDBIP)	Number of Performance Assessments conducted	04 Formal performance assessments (Mid-term and Annual) conducted	04 Formal performance assessments (Mid-term and Annual) conducted	04 Formal performance assessments (Mid-term and Annual) conducted	04 Formal performance assessments (Mid-term and Annual) conducted	04 Formal performance assessments (Mid-term and Annual) conducted	IPED
MTI 4	Policy Development	CORP 17									

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

KPA	PRIORITY AREA	IDP REF	OBJECTIVE	STRATEGY	KPI	YR 1	YR 2	YR 3	YR 4	YR 5	RESPONSIBLE DEPT
						2019/20	2020/21	2021/22	2022/23	2022/24	



		TECH09		Maintenance of Street Lights	Number of Sakhisizwe LM street lights maintained	All Sakhisizwe LM street lights maintained	All Sakhisizwe LM street lights maintained	All Sakhisizwe LM street lights maintained	All Sakhisizwe LM street lights maintained	All Sakhisizwe LM street lights maintained	Technical Services
SDI 4	Waste Management	COM01	To promote a health and safe environment through the protection of natural resources by 2022	Managing waste in an effective manner	No. of programs implemented as per the IWMP	5 programs implemented as per the IWMP	5 programs implemented as per the IWMP	7 programs implemented as per the IWMP	5 programs implemented as per the IWMP	10 programs implemented as per the IWMP	Community Services
		COM02			% collection of refuse in all business in Cala and Khowa	100% collection of refuse in all business in Cala and Khowa	100% collection of refuse in all business in Cala and Khowa	100% collection of refuse in all business in Cala and Khowa	100% collection of refuse in all business in Cala and Khowa	100% collection of refuse in all business in Cala and Khowa	Community Services
SDI 5	Refuse Management	COM04	To ensure the provision of sustainable services to all communities by 2022	Management of refuse collection	Number of refuse bins procured by June 2019	02 refuse bins procured and Distributed in Khowa	02 refuse bins procured and Distributed in Khowa	02 refuse bins procured and Distributed in Cala	02 refuse bins procured and Distributed in Khowa	02 refuse bins procured and Distributed in Cala	Community Services
SDI 6	Pound Management	COM05		Management of municipal pounds	No. of Municipal pounds awareness campaigns conducted in Cala and Khowa	02 Municipal pounds awareness campaigns conducted in Cala and Khowa	04 Municipal pounds awareness campaigns conducted in Cala and Khowa	04 Municipal pounds awareness campaigns conducted in Cala and Khowa	04 Municipal pounds awareness campaigns conducted in Cala and Khowa	04 Municipal pounds awareness campaigns conducted in Cala and Khowa	Community Services

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MUNICIPAL FINANCIAL VIABILITY

[illegible]



	Asset Management	CFO05	Management of Municipal Assets	No. of reported on the updating of the municipal asset	4 reported on the updating of the municipal asset	4 reported on the updating of the municipal asset register updated annually	4 reported on the updating of the municipal asset register updated annually	4 reported on the updating of the municipal asset register updated annually	4 reported on the updating of the municipal asset register updated annually	CFO
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	Expenditure Management	CFO10		Monitoring of budget	% spending of Actual operational expenditure versus Budgeted operational expenditure	90% spending of actual operational expenditure versus budgeted operational expenditure	90% spending of actual operational expenditure versus budgeted operational expenditure	90% spending of actual operational expenditure versus budgeted operational expenditure	90% spending of actual operational expenditure versus budgeted operational expenditure	CFO
	Budget Reporting	CFO11			No. of section 71 reports submitted to Council, Mayor, Provincial and National Treasury by June 2019.	4 Section 71 reports submitted to Council, Mayor, and Provincial & National Treasury within 10 working days after month end.	4 Section 71 reports submitted to Council, Mayor, and Provincial & National Treasury within 10 working days after month end.	4 Section 71 reports submitted to Council, Mayor, and Provincial & National Treasury within 10 working days after month end.	4 Section 71 reports submitted to Council, Mayor, and Provincial & National Treasury within 10 working days after month end.	CFO
		CFO12			No. of Section 52(d) reports submitted to council within 30 days after the end of each quarter	4 Section 52(d) reports submitted to Council within 30 days after the end of each quarter.	4 Section 52(d) reports submitted to Council within 30 days after the end of each quarter.	4 Section 52(d) reports submitted to Council within 30 days after the end of each quarter.	4 Section 52(d) reports submitted to Council within 30 days after the end of each quarter.	CFO



		CFO13		Development and submission of budget related report timeously	No. of Section 72 reports submitted to Council, Mayor, Provincial & National Treasury by 25 January	Section 72 reports submitted to Council, Mayor, Provincial & National Treasury by 25 January	Section 72 reports submitted to Council, Mayor, Provincial & National Treasury by 25 January	Section 72 reports submitted to Council, Mayor, Provincial & National Treasury by 25 January	Section 72 reports submitted to Council, Mayor, Provincial & National Treasury by 25 January	CFO
	VAT	CFO14		Management of VAT returns	No. of VAT reconciliations reports submitted to Council	4 VAT reconciliations reports submitted to Council	4 VAT reconciliations reports submitted to Council	4 VAT reconciliations reports submitted to Council	4 VAT reconciliations reports submitted to Council	CFO



		CFO15			Number of VAT Returns submitted by 25th day of each second month.	6 VAT Returns submitted by 25th day of each second month.	6 VAT Returns submitted by 25th day of each second month.	6 VAT Returns submitted by 25th day of each second month.	6 VAT Returns submitted by 25th day of each second month.	6 VAT Returns submitted by 25th day of each second month.	CFO
	Indigents	CFO16		Registration of indigents households and full subsidy	% subsidized indigents households versus total number of indigent households	100 % of registered indigent households as per the approved indigent register	100 % of registered indigent households as per the approved indigent register	100 % of registered indigent households as per the approved indigent register	100 % of registered indigent households as per the approved indigent register	100 % of registered indigent households as per the approved indigent register	CFO
	Cemeteries	COM12	To ensure the sustainability and growth of municipal revenue by 2022	Management of municipal cemeteries	No of revenue generated reports from the sale of graves	04 revenue generated reports from the sale of graves	04 revenue generated reports from the sale of graves	04 revenue generated reports from the sale of graves	04 revenue generated reports from the sale of graves	04 revenue generated reports from the sale of graves	Community Services
	Pound Management	COM07	To ensure the sustainability and growth of municipal revenue by 2022	Revenue collection through pounds	Number of revenue reports generated by June 2019	04 Reports on revenue generated through pound services	04 Reports on revenue generated through pound services	04 Reports on revenue generated through pound services	04 Reports on revenue generated through pound services	04 Reports on revenue generated through pound services	Community Services
KPA	PRIORITY AREA	IDP REF	OBJECTIVE	STRATEGY	KPI	YR 1 2019/20	YR 2 2020/21	YR 3 2021/22	YR 4 2022/23	YR 5 2023/24	RESPONSIBLE DEPT

LOCAL ECONOMIC DEVELOPMENT



LE D01	Economic Development	IPED 01	To promote sustainable economic development within Sakhisizwe by 2022	Development of a LED Strategy	Developed and adopted of Comprehensive LED Strategy	Developed and Adopted Comprehensive LED Strategy	Implementation of the Comprehensive LED Strategy	Implementation of the Comprehensive LED Strategy	Implementation of the Comprehensive LED Strategy	Implementation of the Comprehensive LED Strategy	IPED
		IPED 02		Support programs to Tourism	No. of Support programs to Tourism	8 Support programs to Tourism	Development and Adoption of Tourism Strategy	Implementation of the Tourism Strategy	Implementation of the Tourism Strategy	Implementation of the Tourism Strategy	IPED
		IPED 03		Support programmes to enterprise development	No. of enterprise development initiatives supported	15 enterprise development initiatives supported	15 enterprise development initiatives supported	15 enterprise development initiatives supported	15 enterprise development initiatives supported	15 enterprise development initiatives supported	IPED
		IPED 04		To source external funding for the promotion of economic development	No. of funding motivations submitted to external funders to attract investments	8 funding motivations submitted to external funders to attract investments	8 funding motivations submitted to external funders to attract investments	8 funding motivations submitted to external funders to attract investments	10 funding motivations submitted to external funders to attract investments	12 funding motivations submitted to external funders to attract investments	IPED
	Agriculture and Rural Development	IPED 05		Support to all agricultural and rural development initiatives	No. of Agricultural and Rural Development initiatives supported	8 Agricultural and Rural Development initiatives supported	8 Agricultural and Rural Development initiatives supported	10 Agricultural and Rural Development initiatives supported	12 Agricultural and Rural Development initiatives supported	14 Agricultural and Rural Development initiatives supported	IPED
	Job Creation	IPED 06		Support the creation of formal and informal jobs through Community Works Programme (CWP)	No. of Ward reports submitted on the functionality of CWP	4 Quarterly Reports submitted on CWP for 9 wards	4 Quarterly Reports submitted on CWP for 9 wards	4 Quarterly Reports submitted on CWP for 9 wards	4 Quarterly Reports submitted on CWP for 9 wards	4 Quarterly Reports submitted on CWP for 9 wards	IPED



7.2 List of 2019/20 Projects

MIG GRANT - 2019/20 PROJECTS	
Project Title	Total planned expenditure
Qokolo to Koppitjie Access Road Phase 3	2 145 000,00
Elliot Town residential Roads	2 145 000,00
California Construction of Storm water infrastructure, Phase 2	5 200 000,00
Refurbishment of Gubenxa community Hall	2 300 000,00
Mbhenge Access Road	3 000 000,00
Askeaton to Panatjiep Access Road	2 500 000,00
PMU Admin.	910 000,00
TOTAL	R 18 200 000.00
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	
Electrification of Manzimahle, Mtingwevu, Ndumndum and Upper Langanci Villages	R 6 949 000
TOTAL	R6 949 000

Human Settlements Projects

HUMAN SETTLEMENTS FOR 2019/20					
PROJECT NAME	CONTRACTOR	PLAN UNITS	ACTUAL UNITS	PLAN SERVICES	BUDGET
Cala Ward (1:3:6) – 1393 – 975 houses - Turnkey	Mahiri	58	-	58	R8 990 000
Cala Ward (1:3:6) 1269 -EPHP	Mosegedi	60	-	60	12 925 605
Cala Ward (7:8:9) – 1284 -EPHP	Contractor Vukani	60	-	60	12 925 605
Cala Ward (8:9) - 1409 -988 houses - Turnkey	Quantum Leap Investments	60	-	60	R8 600 000
TOTALS		131	-249	131	R23 358 396



Department of Rural Development and Agrarian Reform; DRDAR

CROPPING PLAN 2019/20			
Local Municipality	Planned Hectares	Budget	
Sakhisizwe	1050 Maize GFADA 764 Maize DRDAR	R 3 360 000.00 R 2 444 800.00	
HOUSEHOLD PLAN2019/20			
Local Municipality	HOUSEHOLD TO BE SUPPORTED	Budget	
Sakhisizwe	1130	R678 000	
INFRASTRUCTURE PROJECTS 2019/20			
Commodity	Project Name	Activity	Budget(R)
Livestock	Mkhonjana, Lower Didimana, Baccles Farm, Mceula	Construction of 1 cattle dip tank and 3 dip tank renovations	1 050 000,00
Deciduous	Gubenxa Valley	Planning, design of irrigation infrastructure, EIA and soil analysis	10 000 000,00:

DEPARTMENT OF RURAL DEVELOPMENT & LAND REFORM: DRDLR

LAND ACQUISITION PROJECTS FOR 2019/2020					
Name of the Project/Programme	Nature or Description of the Project/ Program	Locality	Number of Beneficiaries	Proposed Budget	Responsible Official
Ulin	Various Portions of the Farm commonly known as Ulin, measuring 1157.2862 ha	Sakhisizwe	Not yet identified	R 2 600 000.00	Ms S. Matoti



1HH 1HA PROJECTS FOR 2019/2020					
Gubenxa Community Trust	Production inputs	Sakhisizwe	70	R 100 000.00	Mr Y. Mchenge

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

DSTRIC	LOCAL MUNICIPLAITY	PROJECT NAME	PROJECT DESCRIPTION	RECOMMENDED BUDGET	FUNDING YEAR
1. CHDM	Sakhisizwe	Elliot Bio Prospecting	Installation of fence, admin building, processing plants and water supply infrastructure	R 5 000 000, 00	2018/19-20/21
2. CHDM	Sakhisizwe	Elliot Thompson Dam Recreational Park	Upgrading of Cala and Elliot recreational parks with park amenities	R15 000 000, 00	2018/19-20/21

DEPARTMENT OF SOCIAL DEVELOPMENT: DSD

OLDER PERSONS - OLD AGE HOMES

Local Municipality	Area Office	Ward	Facility Nr	Name of NPO	Purpose/Activity	Budget
Sakhisizwe	Elliot	1	244	Elliot Old Age Home	Old Age Home	192 000

OLDER PERSONS: SERVICE CENTRES

Local Municipality	Area Office	Ward	Facility Nr.	Name of NPO	Purpose/Activity	Budget
Sakhisizwe	Mnxé	6	9797	Isidima Somntomdala Service Centre	Service Centre	98 028
Sakhisizwe	Cala Reserve	6	9331	Sibanye Service Centre	Service Centre	98 028
Sakhisizwe	Mceula A/A	7	12461	Mceula Old Age Project	Service Centre	74 028
Sakhisizwe	Zikhonkwane	3	9326	Mzomhle Service Centre	Service Centre	98 028



Sakhisizwe	Sakhisizwe	9	9445	Noncedo Service Centre	Service Centre	74 028
Sakhisizwe	Cala Town	5	9446	Masifundisane Service Centre	Service Centre	98 028
Sakhisizwe	Sakhisizwe	1	9330	Lumanyano Service Centre	Service Centre	74 028
Sakhisizwe	Sakhisizwe	2	9831	Ekuphumleni Service Centre	Service Centre	74 028
Local Municipality	Area Office	Ward	Facility Nr.	Name of NPO	Purpose/Activity	Budget
Sakhisizwe	Ndondo Square	5	10947	Ndondo Old Age Service Centre	Service Centre	98 028
Sakhisizwe	Sakhisizwe	2	10944	Masincedane Service Centre	Service Centre	98 028
Sakhisizwe	California	5	11969	Intlonipho Yabadala Service Centre	Service Centre	74 028
Sakhisizwe	Lowe Cala	6	10482	Xolisanani Service Centre	Service Centre	74 028
Sakhisizwe	Mgwalana A/A	3	9804	Masakhane Service Centre	Service Centre	74 028

HIV/AIDS

Local Municipality	Area Office	Ward	Facility Nr.	Name of NPO	Purpose/Activity	Budget
Sakhisizwe	Cala	4	11161	Sophila Sonke HCBC	Home Based Care	290 241

CHILD CARE AND PROTECTION SERVICES

Local Municipality	Location	Facility Number	Name Organisation	CPO's	Prevention And Early Intervention	Total Allocation
Sakhisizwe	Elliot	155	CMR Drakensburg	175 187	234 929	410 116
Sakhisizwe	Elliot		Ikhwezi Lomso		113 904	113 904

ECD AND PARTIAL CARE



Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Lufuta Location , Cala	6	1241	Masincedise Pre-School	ECD	142 560
Sakhisizwe	Polar Park, Cala	2	1203	Masibambane Pre-School	ECD	142 560
Sakhisizwe	Ndondo Square , Cala	5	409	Nosiseko Pre-School	ECD	146 520
Sakhisizwe	Polar Park, Cala	2	10493	Masakhe Pre-School	ECD	146 520
Sakhisizwe	Lower Cala,Cala	6	8897	Nomzamo Pre-School	ECD	146 520
Sakhisizwe	Lower Seplan	8	11916	Nomzamo Pre-School	ECD	79 200
Sakhisizwe	Manzana , Cala	6	465	Manzana Pre-School	ECD	99 000
Sakhisizwe	Sifonondile , Cala	9	50	Masizakhele Pre-School	ECD	79 200
Sakhisizwe	Nyalasa, Cala	9	8898	Phumlani Pre-School	ECD	150 480
Sakhisizwe	Zikhonkwana , Cala	3	407	Nobuntu Pre-School	ECD	99 000
Sakhisizwe	Old Location, Cala	1	10457	Iliso Labantwana Pre-School	ECD	146 520
Sakhisizwe	Takalani , Cala	1	10453	Little Star Pre-School	ECD	118 800
Sakhisizwe	Cala Town, Cala	5	10490	Goodhope Pre-School	ECD	146 520
Sakhisizwe	Qiba, Cala	3	10483	Goodhope Pre-School	ECD	138 600
Sakhisizwe	Indwana, Cala	8	10463	Nobuhle Pre-School	ECD	118 800
Sakhisizwe	Nyalasa, Cala	9	415	Nokwakha Pre-School	ECD	142 560
Sakhisizwe	Mnxex, Cala	6	470	Masithandane Pre-School	ECD	118 800
Sakhisizwe	Zikhonkwane , Cala	3	10946	Malukhanye Pre-school	ECD	99 000



Sakhisizwe	Mceula, Cala	7	8943	Noxolo Pre-School	ECD	79 200
Sakhisizwe	Mceula, Cala	7	416	Thembeni Pre-School	ECD	118 800
Sakhisizwe	Mceula, Cala	7	420	White City Pre-School	ECD	79 200
Sakhisizwe	Seplan, Cala	8	414	Seplan Pre-School	ECD	122 760
Sakhisizwe	Lupapasi, Cala	7	10489	Siyabonga Pre-School	ECD	99 000
Sakhisizwe	Cala Reserve, Cala	6	746	Masizakhe Pre-School	ECD	146 520
Sakhisizwe	Seplan, Cala	8	9146	Khanyisile Pre-School	ECD	99 000
Sakhisizwe	Manzimahle, Cala	8	10943	Masithwalisane Pre-School	ECD	99 000
Sakhisizwe	Ndondo Square, Cala	5	10452	Siyavuya Pre-School	ECD	134 640
Sakhisizwe	Pakamisani, Cala	4	10461	Nompumelelo Pre-School	ECD	118 800
Sakhisizwe	Polar Park, Cala	2	10492	Siyazama Pre-School	ECD	142 560
Sakhisizwe	Polar Park, Cala	2	11077	Masikhanyise Pre-School	ECD	142 560
Sakhisizwe	Polar Park, Cala	2	10468	Kuyasa Pre-School	ECD	142 560
Sakhisizwe	Upper Indwana, Cala	7	11112	Nontsikelelo Pre-School	ECD	95 040
Sakhisizwe	Lupapasi location. Cala	7	10487	Kuyasa ECD	ECD	95 040
Sakhisizwe	Polar Park 1 Elliot, Cala	2	10486	Masihlume Pre-School	ECD	118 800
Sakhisizwe	Ndondo Square, Cala	5	12413	Thembelihle Pre-School	ECD	79 200



RECOMMENDED CONDITIONAL GRANT MASTERLIST						
Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	New Location , Elliot	2	12 538	Ikhaya Pre - School (New)	ECD	118 800
Sakhisizwe	Upper Cala ,Cala	9	10 488	Mdeni Pre-School (New)	ECD	79 200
Sakhisizwe	Ext 13 , Cala	5	12 540	Bright Future Prfe-School (New)	ECD	79 200
Sakhisizwe	Mceula A/A, Cala	7	10 470	Sinethemba Pre-School (New)	ECD	79 200
Sakhisizwe	Cala Pass , Cala	3	12 526	Mlondolozzi Pre-School (New)	ECD	79 200
Sakhisizwe	Ndondo Square, Cala	5	409	Nosiseko Pre-School	ECD	39 600
Sakhisizwe	Old Location, Elliot	1	10 457	Iliso Labantwana Pre-School	ECD	39 600
Sakhisizwe	Cala town, Cala	5	10 490	Goodhope Pre-School	ECD	39 600
Sakhisizwe	Cala Reserve, Cala	6	746	Masizakhe Pre-School	ECD	39 600
Sakhisizwe	Polar Park, Elliot	2	10 492	Siyazama Pre-School	ECD	39 600
Sakhisizwe	Upper Lufutha A/A , Cala	6	1 241	Masincedise Pre-School	ECD	39 600
Sakhisizwe	New Location , Elliot	2	1 203	Masibambane Pre-School	ECD	39 600
Sakhisizwe	Ndondo Square, Cala	5	10 462	Nomthandazo Pre-school	ECD	59 400
Sakhisizwe	Mbenge Cala	9	13 399	Siyasebenza Pre-school	ECD	59 400
Sakhisizwe	Mthingwevu, Cala	8	13 402	Sinako Pre-school	ECD	59 400
Sakhisizwe	Mbeuleni, Cala	9	13 393	Phandulwazi educare	ECD	79 200
Sakhisizwe	Mbenge Cala	9	13 203	Komkhulu Pre-school	ECD	59 400
Sakhisizwe	Old location, Elliot	1	13 398	Latita Sunshine Day Care Centre	ECD	59 400
Sakhisizwe	Mhlwazi , Elliot	1	13 400	Sinenjongo Pre-school	ECD	59 400
Sakhisizwe	Elliot Town	1	13 395	Morning star Pre-school	ECD	59 400
Sakhisizwe	Ext. 15, Cala	6	13 404	Kwakhanya Pre-school	ECD	59 400
Sakhisizwe	Manzimdaka, Cala	5	1 879	Masomelele Pre-school	ECD	59 400



Sakhisizwe	Cala Reserve, Cala	6	13 394	Khulani Pre-school	ECD	67 320
Sakhisizwe	Tsengiwe, Cala	6	13 401	Thembalesizwe Pre-school	ECD	59 400
Sakhisizwe	Phakamisani, Cala	4	12 527	Emvelwano Pre-school	ECD	59 400
Sakhisizwe	Ndondo Square, Cala	5	13 396	Eyethu Preschool	ECD	59 400
Sakhisizwe	Ryno Farm, Elliot	1	4 128	Sinethemba Pre-school	ECD	59 400
Sakhisizwe	Ndondo Square, Cala	4	NEW	Little Angels Pre-school	ECD	59 400

CHILDREN AND FAMILIES : COMMUNITY BASED SERVICE FOR CHILDREN

Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Cala	5	155	Sakhisizwe	Isibindi CMR	583 718

VEP

Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Elliot	1	11185	142-747	Elliot Victim Support Centre	Prevention Programmes
Sakhisizwe	Cala	4	11512	139-665	Sakhisizwe Men as Partners	Prevention Programmes
Sakhisizwe	Cala	4	10269	037-432	Domestic Violence Unit	Prevention Programmes

SUBSTANCE ABUSE

Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Cala	ALL WARDS	11519	TADA	TADA Programme	170 000,00

SUSTAINABLE LIVELIHOOD

Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Chibini	3		Siyahluma Womens Project	Household Food Garden	R25 037.00



WOMEN DEVELOPMENT						
Local Municipality	Location	Ward	Facility No	Project Name	Purpose	Allocation
Sakhisizwe	Lower Tsengiwe	6		Tsengiwe Development One Stop Centre	Sewing and Beading	R 90 000.00
YOUTH DEVELOPMENT						
Sakhisizwe	Lubhontsi Primary Co-operative	Welding	Polar Park	2	5	R 150 000

ESKOM

Municipality	Project Name	Project Type	DOE Planned CAPEX Excl. VAT	DOE Planned CAPEX Incl. VAT	Planned Household Connections
Sakhisizwe	Sakhisizwe Extensions	Household	R 6 960 000.00	R 8 004 000.00	290
	Sakhisizwe Ext. Link Lines	Infrastructure	R1 120 000.00	R1 288 000.00	
	Sakhisizwe Extensions 2019 Pre Eng.	Pre-Engineering	R 403 000.00	R 463 450.00	
	Sakhisizwe Type 1 Infills	Infills	R 403 000.00	R 6 624 000.00	1200
	Sakhisizwe Schedule 5B	Pre-Engineering	R139 130.00	R160 000.00	
	TOTAL SAKHISIZWE		R14 130.00	R16 539 450.00	1490



Chris Hani District Municipality

SAKHISIZWE MUNICIPALITY	2019/20	STATUS/PROGRESS	WARD NUMBER	VILLAGES TO BE SERVED
Elliot Waste Water Treatment Works				
Upgrading of the Elliot Waste Water Treatment Works	R 707,000.00	planning	ward 2	Masibambane, Polar Park, Old Township, Takalani, Hillview (Planned Housing: North of Old Township & Close to Masibambane) HH=8450
Construction of Pump Station with Bulk Collector Sewers - Phase 2	R 800,000.00	planning	ward 2	Old Township, Takalani, Hillview HH=1870
Cluster 4 waterbacklog(Wards 6,7,& 4)				
Mthingwevu Water Supply Scheme	R 6,500,000.00	Under construction and with progress at 60%	ward 8	Ndambane,Mandela,Ngxingweni,Ntwa shu,Highlands,Luxeni,Panatyipu,Blobel a and Farma.
Upper Lufutha Interim Water Supply	R 1,200,000.00	Construction is 100% pending replacement of stolen generator for operating the package plant before a handover over meeting can be arranged.new replacement Generator has been orderd to be available within two weeks.	ward 8	Emjikeleni and Voyizana

SAKHISIZWE MUNICIPALITY	2019/20	STATUS/PROGRESS	WARD NUMBER	VILLAGES TO BE SERVED
Upper Lufutha Ext (Mbodlana) Interim Water Supply	R 1,600,000.00	Project got terminated when construction was at 51% ,but the contractor has been re-instated .		9Mbodlana
upgrading of Cala Wastewater Treatment Works - Phase 1	R 8,100,000.00	adjudication	ward 4,5	Cala town and suburbs
upgrading of Cala Bulk Gravity Collector Sewers - Phase 2	R 900,000.00	planning	ward 4,5	Cala town and suburbs
TOTAL: SAKHISIZWE LM	R 19,807,000.00			

Municipality	Project name	19/20	Status/Progress	ward	village
SAKHISIZWE	Gubenxa and Maxongo's Hoek Interim Water Supply	R 7,164,440.00	draft tender and then construction	ward 1	Maxongoshoek, Gubenxa
	Refurbishment of Cala Bulk Water	R 2,500,000.00	planning and construction	ward 4	Cala Town and suburbs
	Water Conservation Management Elliot Old Location	R 2,500,000.00	planning and construction	ward 1	Elliot
TOTAL SAKHISIZWE		R 12,164,440.00			



CHAPTER 6: IMPLEMENTATION PLAN INTEGRATION & ALIGNMENT

This section outlines how the municipality will ensure alignment and integration of sector plans, PMS, SDBIP, BUDGET and IDP implementation plan. It highlights existing plans and gaps for attention by relevant line functions.

2.2 Sector Plans

This IDP recognizes all existing sector plans and ensures that their implementation budgets, timelines and projects are in support of the reviewed development objectives.

2.2.2 Integration and alignment with other spheres of government

SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs - which must be facilitated with Chris Hani DM
	National Development Plan 2030	To integrate the priorities identified for our areas within the plan
	National LED Framework	Will utilize the framework as guide in its current process of formulating LED Strategy
	National framework for municipal turn around strategies 2009	Our approach in this IDP is informed by the suggested key points in the National Municipal Turn-around strategy. We shall develop our own in Sakhisizwe
	National KPAs	Incorporated and mainstreamed into adopted KPAs + form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localized projects in response to the EC Provincial 24 PRIORITIES Have also taken into account the new priorities like Rural development which came after the April 2009 elections
	Provincial Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and confirmed for implementation in 2017/18 within Sakhisizwe areas. Formal letters of confirmation of commitments to be issued by Mayor as part of lobbying departments to act on their commitments – 2017/18 onwards
District	IDP Framework	Informs our Process Plan activity schedule
	CHDM plans	Integrate our priorities within the designed strategies for the district in its strategic plans (IDP, WSDP, LED, SDF etc)
	Water services Development Plan	Informed by our target priorities for meeting millennium goals - lobby DM to implement
	Disaster Management Plan	Informs our localized firefighting responses - work closely at operational level



	Occupational Health and Safety plan	Decided to use the DM plan to modify and customize for our application
SPHERE	PROGRAMMES & GUIDELINES	SAKHISIZWE RESPONSES
	Waste Management Plan	Informs our localized refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the DM Economic summit to be reinforced by our revised LED strategy

2.2.3 Alignment of Sakhisizwe IDP with EC PDGS development targets

EC Provincial Growth and Development Strategy 2009 - 2014	Alignment of Sakhisizwe IDP with EC PDGS
To maintain an economic growth rate of between 5% and 8% per annum	Increase GDP by 10% by 2022
- To halve the unemployment rate by 2022	Reduce unemployment by 20% by 2022
- To reduce, by 60% and 80%, the number of households living below poverty line by 2022	Create at least 250 additional jobs by 2022
- To reduce, by between 60% and 80%, the proportion of people from hunger by 2022	Support at least 2 cooperatives to support 20 beneficiaries by 2022
- To establish food self-sufficiency in the province by 2017 - 2018	Support at least 5 families per annum with ploughing support (tractor time) by 2022
- To ensure universal primary education by 2022, with all children proceeding to the first exit point in a secondary school	Promote and support early childhood development
- To improve the literacy rate in the province by 50% by 2017 - 2018	Promote improvements in school enrolments
- To provide clean water to all in the province by 2017 -2018	To reduce the percentage of households without access to basic levels of water supply to within 10%
- To eliminate sanitation problems by 2017 - 2018	To reduce the percentage of households without access to basic levels of sanitation service to within 5% by June 2022

2.2.4 Cala town bulk water and sewer master plan

Master Plan (as adopted by the Council in March 2012) for the upgrading of the water and sewer infrastructure in Cala Town has been commissioned by Sakhisizwe Municipality, Water Services Provider for the town.

The Water and Sewer Master plan for Cala was last updated in 2005. Since the 2005 update there have been a number of water and sewer infrastructure developments in town and in addition,



Sakhisizwe has now formally taken over the water services provision function from Chris Hani DM, the Water Services Authority.

2.2.5 Maintenance plan

Sakhisizwe Local Municipality has implemented numerous projects in recent years to improve the local electricity supply to its municipal area and the users within the area. The municipality wishes not to have the newly built infrastructure go to waste and be left unmaintained (Master Plan as adopted by the Council March 2012).

The electrical department needs to be well equipped to perform the maintenance and hence needs the proper equipped staff to implement the plan.

- Outlay of infrastructure:
- MV Overhead/Underground Network
- LV Overhead/Underground Network
- LV Street Lighting
- LV High Mast Lighting
- Service Connections/ Meters

2.2.6 Special Programmes

The municipality has adopted a comprehensive special programme action plan which will be largely comprised of the following programmes.

ITEM	AMOUNT
Capacity Building SPU Co-ordinator	R500 000
Stationery and running Costs	
Women's Forum	
Elderly Forum	
Disability Forum	
Youth Council	
Mayor's Cup	
Special Programmes Strategy	
Children Advisory Forum	
TOTAL	R 500 000



2.2.7 Community based Plans

In 2016/17 the municipality developed detailed ward based plans. The outcome of these plans have been incorporated in the IDP and continuously inform the situation analysis. The municipality will develop projects according to the availability of budget and responses.

2.2.8 MPAC and Leadership Development

APC MPAC membership training was done February 2017, Induction workshop for traditional leaders participating in municipal council was done by SALGA on the October 2016. A follow up session is necessary to revive skills and competencies of members.

2.2.9 Audit Action Plan

Based on the recommendations of Auditor General the municipality developed Audit action plan and is currently implementing and reports on it regularly in its management meetings.

2.2.10 Housing sector plan

Human Settlement Sector Plan funded by the Department of Human Settlement. The Sector Plan was developed and adopted by council in 2019. It will be used to guide the housing interventions 2019/2020 and going forward.

A detailed list of planned housing programmes is captured in the situation analysis section and further planned housing projects are listed in the projects section.

3 PERFORMANCE MANAGEMENT

In line with the requirements of the Local Government Municipal Systems Act – 2000 (hereinafter referred to as the Systems Act) read in conjunction with its Local Government Municipal Planning and Performance Management Regulations passed in August 2001 (hereinafter referred to as the Regulations), Sakhisizwe Local Municipality embarked on a process of establishing its comprehensive PMS.

In order to ensure smooth implementation of a municipal PMS, it is necessary to first develop and agree on a policy (framework).

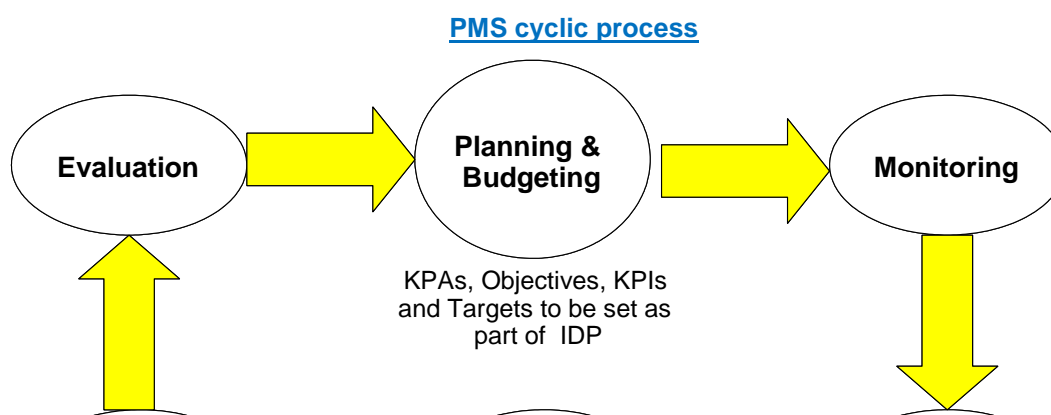
The main goal of this document is to provide the Sakhisizwe Local Municipality with a written policy that will serve as a guide in terms of the key processes, procedures and mechanisms to be followed when implementing performance planning, measurement, review, reporting and auditing. This framework document will also outline timeframes as to when (in the cycle of municipal planning) should the processes of *performance planning, measurement, monitoring, review, reporting and auditing as well as review of the PMS itself* unfold. Further, the framework outlines the PMS model to be followed in implementing performance management at Sakhisizwe LM.

3.2 Status of the Policy document

This document represents a policy which was commented upon and finalised. It was submitted to EXCO and Council for review in 2015/2016. After it was adopted by council it served as a binding policy that guides how performance management should be implemented at Sakhisizwe. It also serves as a document reference that is aimed at enhancing the awareness and understanding (among all role players) of how the performance management system should operate.

3.3 Working definition

Performance management is viewed as a continuous and cyclic process of evaluating our actions and operations to determine whether we are delivering the desired level of





development committed in our IDP. It is envisaged as a process that will roll-out incrementally following the steps illustrated in the figure below:

Sakhisizwe municipality subscribes to the view that PMS is a strategic management tool which equips (with a set of tools and techniques) leaders, managers, workers and stakeholders at different levels of an organization to regularly plan, continuously monitor, periodically measure, review and report performance of the organization in terms of a set of chosen indicators and targets for achieving development efficiency, effectiveness and impact.

In practical terms, performance management refers to the use of indicators to show how the organisation is performing on its development objectives as set out in the ruling integrated development plan. In Sakhisizwe, this will involve among other things:

- ☐ developing performance scorecards (two levels - Strategic and Departmental)
- ☐ setting of clear objectives, indicators and targets for performance (Based on IDP)
- ☐ determining baseline levels for indicators before finalizing targets
- ☐ gathering of measurement information to determine progress against set indicators and targets
- ☐ regular reviewing of performance (monthly, quarterly & annually)
- ☐ periodic reporting on performance (monthly, quarterly & annually)
- ☐ regular auditing of performance reports
- ☐ periodic assessing, evaluating and reviewing of the effectiveness of PMS itself

3.4 Policy context for municipal PMS

In 1997 the white paper on local government introduced the concept of performance management systems as a mechanism to improve accountability and enhance public trust on local government. The white paper further suggests that by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system is also enhanced. In 1998, the White Paper on Transforming Public Service Delivery (Batho Pele) was adopted as a policy to enhance and enforce quality service among civil servants. All employees of public entities (government institutions including local government municipalities) are obliged to adhere to the provisions of the Batho Pele policy. These provisions are captured in the form of the following eight key principles:

- a) **Consultation:** - Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.
- b) **Service standards:** - Citizens should know what standard of service to expect and should be consulted if promised service standards are to change including development targets set in terms of the IDP.
- c) **Access:** - All citizens should have equal access to the services to which they are entitled. State of exposure to income or poverty should not be reason enough to lack access to a basic level of service.
- d) **Courtesy:** - Citizens should be treated with courtesy and consideration.
- e) **Information:** - Citizens should be given full and accurate information regarding public services they are entitled to receive.
- f) **Openness and transparency:** - Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) **Redress:** - If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.
- h) **Value-for-money:** - Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.



The two policies mentioned above provide the framework for implementing performance management system in a municipality.

In order to ensure compliance with the objects of the constitution and national policy, Sakhisizwe municipality accepted the local government and Batho Pele white papers as its policy framework for performance management system and for advancing the cause of local government transformation

3.5 Legal context for municipal PMS

The municipal systems act 32 of 2000 calls for all municipalities to establish and implement performance management systems. In its chapter six, the act prescribes for all municipalities to:

- develop a performance management system
- set targets, monitor and review performance based on indicators linked to their integrated development plan (IDP)
- publish an annual report on performance for the councillors, staff, the public and other spheres of government
- incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- conduct an internal audit on performance before tabling the report.
- have their annual performance report audited by the Auditor-General
- involve the community in setting indicators and targets and reviewing municipal performance

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**DPLG**) to further explain the requirements of the act.

The regulations provide minimum requirements for a municipal performance management system and prescribe a set of seven national key performance indicators that must be measured and reported to national government by all municipalities annually. According to the regulations a municipal PMS must ensure that it:

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance; ▪ relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

The regulations also prescribe that municipalities must monitor their performance and report on these national indicators (in addition to their local level indicators):

- a) the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- b) the percentage of households earning less than R1100 per month with access to free basic services;
- c) the percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d) the number of jobs created through municipality's local economic development initiatives including capital projects
- e) the number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- f) the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and



- g) financial viability as expressed in ratios

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

The legislative framework referred to above provides a solid case for the implementation of Sakhisizwe performance management systems in local municipalities.

3.6 Other benefits for establishing PMS

For Sakhisizwe LM, the rationale for establishing PMS goes much deeper than the mere partial fulfilment of the legislative requirements. The following are other benefits for implementing a PMS.

3.6.2 Increased accountability

The performance management system should aim to provide a mechanism for ensuring increased accountability between:

- The residents of the Sakhisizwe Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.

3.6.3 Learning and improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

3.6.4 Early warning signals

The performance management system should provide Managers, the Municipal Manager, Standing Committees and the Executive Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate pro-active intervention, if necessary.

3.6.5 Effective decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system periodically. **3.7**

Principles guiding PMS implementation

This policy provides for implementation of a comprehensive Sakhisizwe PMS based on the following set of guiding principles:

- UNIFORMITY - System must apply uniformly to all affected



- DEVELOPMENTAL - Must be developmental in nature, not punitive. Therefore, must focus on outcomes or development impact achievements rather than short term individual benefits like earning bonuses
- EQUITY OF RIGHT -Must balance organisational needs and employee rights
- PERFORMANCE CONTRACTS -Must provide for signing of performance contracts by section 57 managers
- PMS MODEL -Must identify suitable model commensurate with existing organisational capacity, constraints & LG legal context.
- EARLY WARNING -Must promote use as an early warning system
- TRANSPARENCY – Must provide for effective participation of affected parties in arriving at final targeted performance commitments (setting of targets to be discussed and agreed with those the people / units whose performance will be managed)
- DEMOCRATIC - Must provide for involvement of key stakeholders in the processes of PM planning, monitoring, review, reporting and auditing

3.7 Institutional arrangements

3.7.1 PMS Co-ordination

For purposes of coordinating PMS activities inside the municipality the policy provides for the delegation of authority to the corporate services manager to be the PMS coordinator. In terms of the envisaged role the PMS coordinator shall:

- Facilitate PMS communication
- Coordinate daily liaison
- Issue memos inviting inputs and reports from managers
- Facilitate implementation (monitoring & measurements of KPIs, reviews, report consolidation & submission, liaison with PMS audit committee etc)

3.7.2 PMS Audit function

For purposes of meeting legal requirements for the appointment of an independent audit committee to audit PM reports, the policy provides for:

- Maintaining current status quo whereby the district PM Audit committee also audits reports of the local municipality via an agreement with the district
- Creation of internal audit function to look at municipal PM reports prior to them being forwarded to the audit committee
- The extension of the terms of reference of the current audit structure which currently audits financial statements only to also incorporate the task of auditing performance reports of the municipality
- Preparation and submission of PM reports to be audited at least twice a year. This will happen during the months of January and June of each year. In this instance the policy suggests that the second report be an annual report to prevent duplication.

3.7.3 Public participation

For purposes of ensuring effective participation by all relevant stakeholders in the PM processes, the policy provides for the recognition and use of the same structures set for the IDP. In terms of this policy, public participation for the planning of PMS takes place during IDP formulation which must cater for the formulation of:

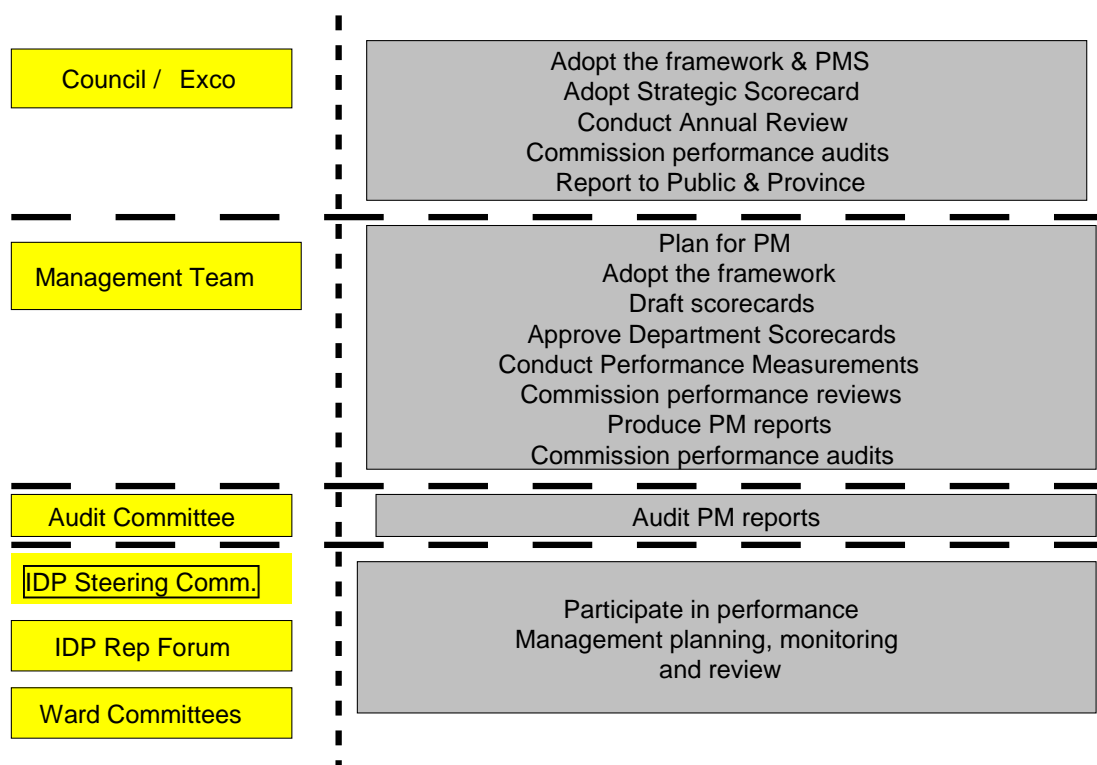
- Key development priorities agreed for each year
- Development objectives
- Key development targets agreed

Therefore, IDP steering committee and Representative forums will serve as main key platforms for public and broader stakeholder participation.



3.7.4 Stakeholder Roles and Responsibilities

The following figure outlines the key roles and responsibilities to be discharged by the various role players in the process.



Stakeholder Roles and Responsibilities

3.8 PMS model for Sakhisizwe LM

3.8.2 What is a model?

A model for performance management provides simplified mechanisms for understanding how better to organise and roll-out the various aspects of performance that should be measured, reported on and managed. It also provides a useful tool to predict and project future scenarios so that current decision-making could influence the desired future.

3.8.3 Why is a model important for PM?

Models have proved useful in performance management for the following reasons. They provide:

Balance: A good model will ensure balance in how the organisation measures and manages its performance. It should not bias performance measurement by relying on one facet of performance, but represent a multi-perspective holistic assessment of municipal performance.

Simplicity: A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories



sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

Mapping of Inter-relationships: A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

Alignment of resources to strategy: A good model will align the processes of performance management to the Integrated Development Plan & budgeting processes of the organisation. It will ensure that the Integrated Development Plan is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the Integrated Development Plan.

International experience in both the private and public sectors has shown that traditional approaches to measuring performance that tends to be heavily reliant on financial measures are severely lacking. These approaches tended to over-emphasise financial efficiency over other equally important variables of performance measurement and thereby providing a skewed perspective of the organisation's performance, particularly for a municipal organisation.

However, with recent developments in performance measurement literature in both the public and private sector, it has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders.

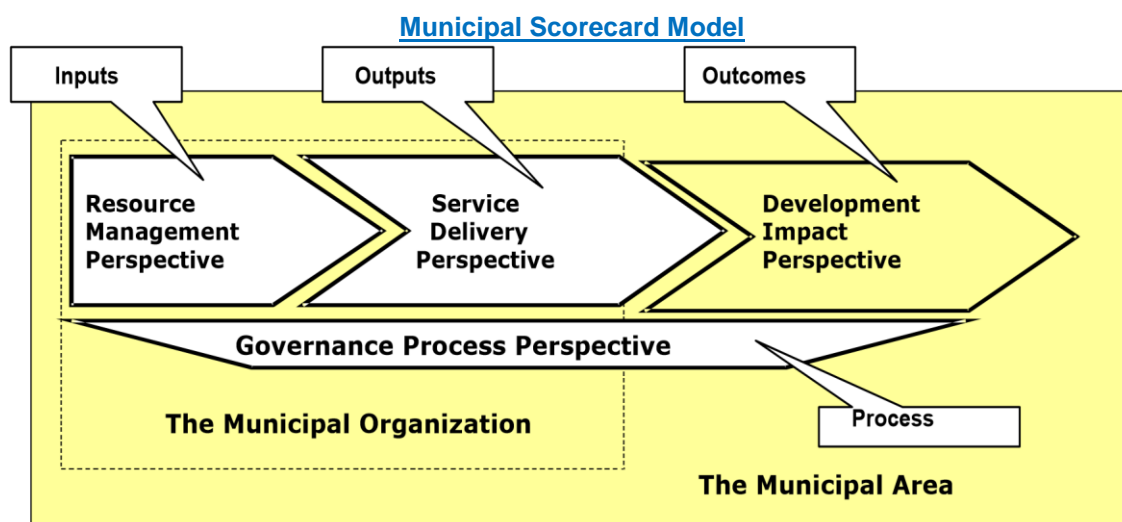
3.8.4 The Municipal Scorecard model

In terms of this policy the municipal scorecard model is to be used as a preferred model for the municipality. This model provides a modified version of the balanced scorecard model which has been adapted to SA local government legislation environment. It is also based on four key perspectives outlined later in this section.

The choice of this model is based on the strengths that it is:

- Tightly aligned to the strategic planning (IDP) and Budget processes
- Directly relevant to the notions of developmental local government and co-operative governance
- Fits neatly with the envisaged legal process of managing performance in a municipal organisation in SA
- A balanced view of performance based on inputs, outputs, outcomes and processes
- A simple portrayal of municipal performance, where inter-relationships can be mapped
- Has been adopted as the recommended model for municipalities by the South African Local Government Association (SALGA) because of its simplicity and relevance to local government environment.

The Municipal Scorecard is based on four key perspectives, outlined in the figure below.



The Development Impact Perspective: In this perspective the municipality will need to assess whether the desired development impact in the municipal area is being achieved. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

The Service Delivery Perspective: This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

The Resource Management Perspective: This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Budget & other financial Resources
- Human Resources
- Systems & Information
- Organisational Infrastructure (enabling equipment)

This relates to the inputs of the municipality as a whole.

Governance Process Perspective: This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

- Public participation
- Intergovernmental relations
- Customer care relations
- Citizen satisfaction
- Access to Information
- Communication strategies

This relates to the governance processes of the municipality as a whole.



DEFINITION OF CONCEPTS USED IN THE SCORECARDS

Objectives: are statements about what a service wants to achieve.

Indicators: are measures that tell us whether we are making progress towards achieving our objectives.

A baseline measure: is the value of the indicator before the start of the programme or prior to the period over which performance is to be reviewed.

A target: is the value of the indicator that we want to achieve by a specified time.

The measurement source and frequency: should indicate where the data emanates from, and how frequently it can be measured and reported. This information will assist the auditing process.

These have been used as the basis of the plans for the strategic and service scorecards.

CRITERIA ADOPTED TO GUIDE SELECTION OF SUITABLE INDICATORS

Focused and Specific: Is the indicator selected clear, focused and not stated in an ambiguous way?

Measurable: Does the indicator have defined unit of measurement? Note that this unit must also be used in determining the target.

Valid and Relevant: Validity is the degree to which an indicator measures what it is intended to be measured. Is the indicator relevant to the objective of the performance being measured?

Reliable: Reliability is the degree to which repeated measures, under exactly the same conditions will produce the same result. How reliable is your indicator?

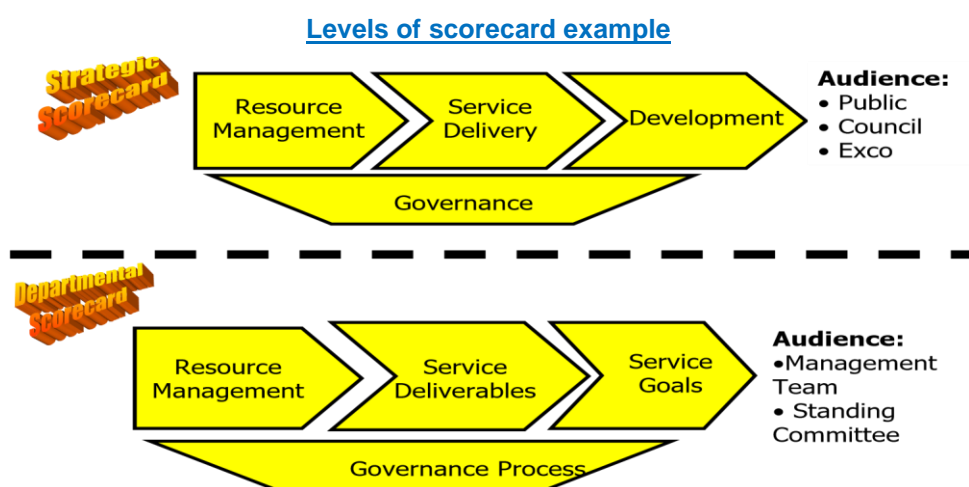
Simple: Good indicators will be simple, easy to communicate. A composite indicator would try to measure a series of performance dimensions at the same time, this may confuse. Where possible avoid using complex or composite indicators.

Minimize perverse consequences: Poorly chosen indicators, while they may have noble intentions, can have perverse consequences in the behaviours it incentives. Choose indicators that will incentives behaviour that is desired and not unintended results.

Data Availability: Good indicators will also rely on data that is, or intended to be, available on a regular basis. Be careful of choosing indicators that will not have data to be measured against.

3.8.5 Levels of scorecards in a municipal scorecard model

There are two levels of scorecards recommended in the municipal scorecard model. These include the strategic and the services outcome scorecards as depicted in the figure below.





The Strategic Scorecard: The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The Municipal Manager and Managers of Departments will use it after review as a basis for reporting to the Executive Committee, Council and the public. In terms of this policy this scorecard is to be reported to Executive Committee quarterly, to Council six-monthly and the public annually for review.

Service Scorecards: The service scorecards will capture the performance of each defined service (can be a directorate or department line-function). Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that service. It will consist of objectives, indicators and targets derived from the service plan and service strategies. It will be crucial that service scorecards should not duplicate current reporting, but be integrated to form a core component and simplify all regular reporting from departments to the Municipal Manager and Standing Committees.

Service Scorecards will be comprised of the following components:

- Service Outcomes, which set out the developmental outcomes that the service is to impact on,
- Service Deliverables, which set out the products and services that the service will deliver,
- Resource Management, which sets out how the service will manage its Human and Financial resources, Information and Organisational Infrastructure
- Stakeholder Relations, which sets out how the service will improve its relationship with its key stakeholders

Performance in the form of a service scorecard will be reported to the Municipal Manager and relevant Standing Committee for review. The policy provides for the reporting in terms of this level of scorecard to be undertaken at least monthly. The policy assumes that the reporting on this level scorecard will be preceded by internal departmental reporting (reports from unit managers and supervisors to be consolidated by the head of departments) which is expected to happen more regularly than monthly intervals and would ideally inform the monthly management reports.

The policy suggests that municipal scorecard formats be designed to reinforce aggregation of information and alignment with service delivery budget and implementation plans (SDBIPs).

3.9 Monitoring and measurement of indicators For each indicator the scorecard require a responsible official, usually the respective line manager, to be designated by name. While this official is not necessarily fully accountable for performance on this indicator, he/she has the responsibility for conducting measurements of that indicator, analyzing information and reporting results for reviews.

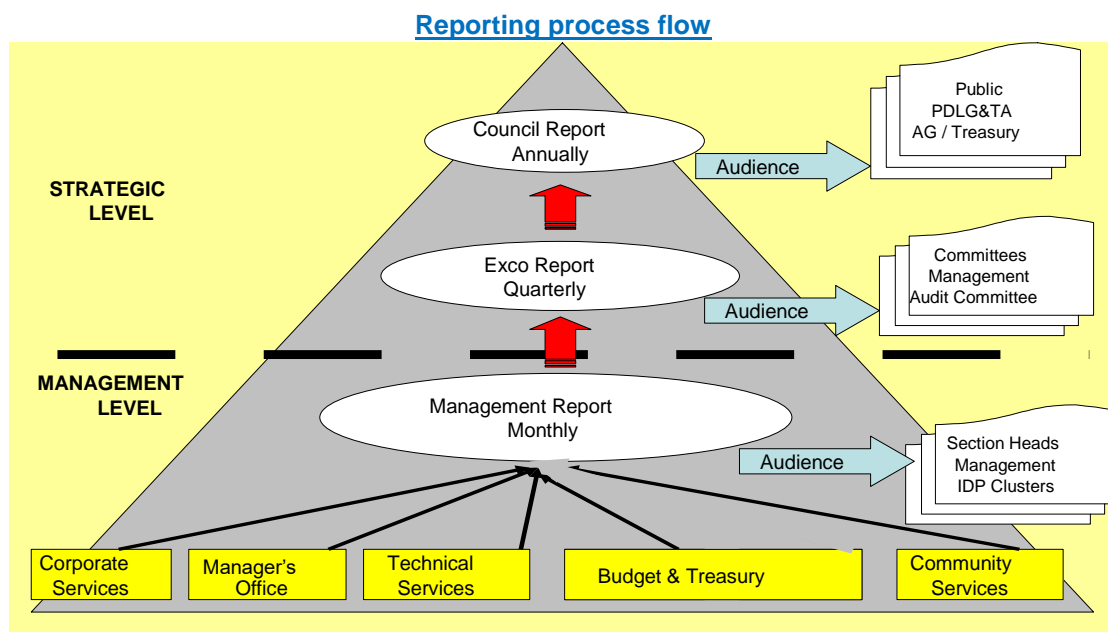
Analysis requires that line managers compare current performance with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. They should also analyse the reasons for performance levels and suggest corrective action where necessary.

Municipal-wide outcome indicators and satisfaction surveys may need to be co-ordinated centrally. It is recommendable that the PMS coordinator be tasked with this responsibility. An effort should also be made to undertake regular (annually) surveys in order to provide data for indicators organizationally and for the different service scorecards:



4 Performance reporting and auditing

The following figure outlines the envisaged PM reporting processes and lines of authority.



Performance reporting: As indicated in the above diagram reporting will commence from the internal department (weekly and chaired by HoD) then cascade to management (receive monthly management reports and chaired by municipal manager), thereafter, a bi-monthly report will be tabled to EXCO by management. This report will move be consolidated with comments of EXCO into a quarterly report to be tabled to council. At least two six-monthly reports will be forwarded for auditing by the audit committee during January and June of each year.

At the end of the year, an annual performance report will be produced and summarized for public reporting by the mayor via Imbizos and by the manager to auditor general and PDLGH&TA.

Quality Control: All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Managers responsible for line functions should undertake quality control of the information gathered and presented in the scorecard.

Co-ordination: The performance management coordinator is required by the framework to co-ordinate and ensures good quality of reporting and reviews. It is his or her role to ensure conformity to reporting formats and check the reliability of reported information, where possible or when asked to do so by EXCO / council.

Performance Investigations: This policy provides for the Executive Committee or Audit Committee when deemed necessary to can commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations could cover assessment of:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies
- Validity of evidence material submitted in support of claims

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions/practitioners, who are



experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Committee, should such a need for investigation arise.

Audit Committee: As indicated earlier the municipality will make use of the district committee via a service level agreement. This facility will be complemented by the internal audit function which shall have been made by extending the current terms of reference for the existing audit committee currently responsible for financial statements to also cater for auditing of PM reports at least twice per annum.

5 Performance reviews

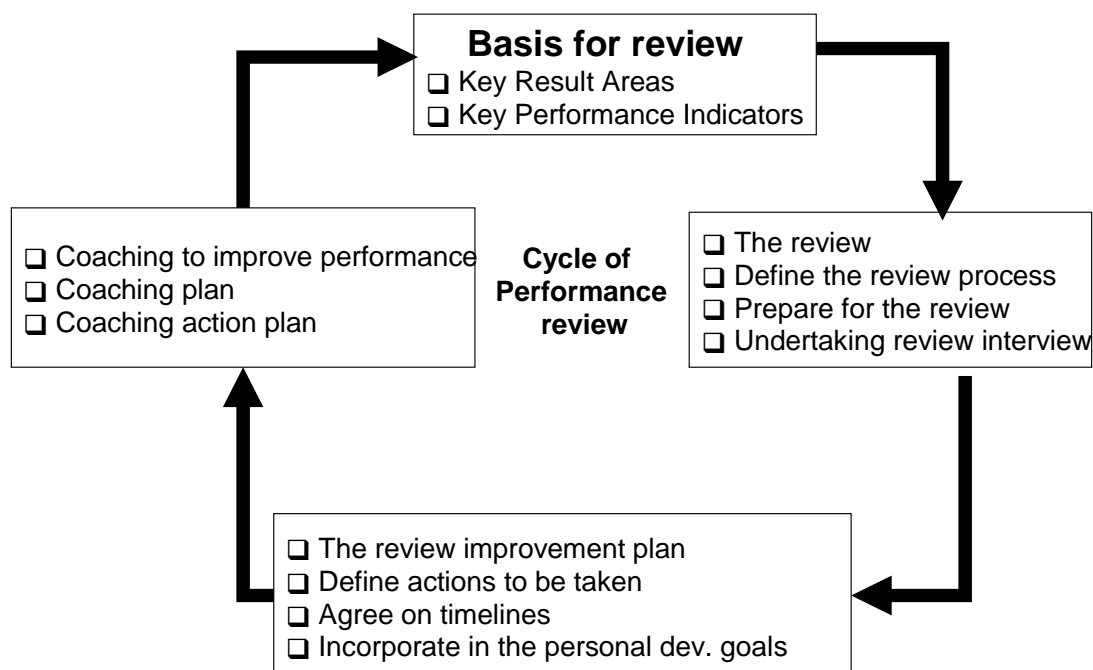
Performance reviews must be conducted at various intervals and levels of authority in order to determine as to the progress made against committed performance targets. Every review session must be documented and evidence material filed in case it is called by senior level reviews or the audit committee. Prior to reviews taking place by the Management Team, Executive Committee and Council, performance reporting will need to be tracked and coordinated. The Performance Management coordinator is responsible for this process.

It will also be useful to provide an overall analysis of municipal performance with respect to the strategic scorecards and department scorecards, at least for quarterly and annual reviews. Such an analysis could pick up trends in performance over time and over all departments. It is proposed that the Performance Management Coordinator be responsible for this.

5.2.2 How should reviews be conducted?

The following figure provides a guideline for setting-up a review process.

PROPOSED REVIEW PROCESS



The review process should involve the following guideline steps:

1. Prepare for the review
 - Set appointments and schedule interview sessions
 - Produce and circulate scorecard templates (FORMS)



- Commission self-appraisals
- 2. Conduct review interviews
- 3. Discuss and agree on improvement plan
- 4. Feedback review outcomes to those concerned

During the review, the reviewing person / committee or structure must ensure the following things happen:

- ☐ Confirm what is expected of employee / department being reviewed
- ☐ Encourage those reviewed to feel comfortable and create conducive atmosphere for discussing issues frankly and fairly
- ☐ Fairly and equitably measure performance of individual / department.
- ☐ Agree on the final determination of performance achieved
- ☐ Identify strengths and areas of improvement
- ☐ Give feedback in terms of the reward/ recognition of good performance / excellence or the steps to be taken to address poor performance
- ☐ Align individual performance behaviour with organizational performance goals (IDP vision)
- ☐ Incorporate lessons of the previous year's performance into the following year's performance (Learning curve) by jointly developing a Performance Improvement Plan with the manager concerned
- ☐ Agree on a performance improvement plan

If the review session is to lead to the determination of salary progressions and bonuses in the case of individual management reviews, then the following rules should apply:

- 1) Determination of final scores will be based on the scoring model which uses a rating scale of 1 – 5 combined with point system
- 2) The employee will be allowed during the review to provide evidence to his /her claims should this be necessary
- 3) An aggregate score should be determined after adding all KPA scores achieved in the review
- 4) The decision of the audit committee ON SCORES is final
- 5) A manager can only qualify for a bonus portion when he/ she has achieved a minimum of level 3 overall score
 - a. A score of 251 – 300 will qualify for 50% of bonus possible
 - b. A score of 301 – 350 will qualify for 60% of bonus possible
 - c. A score of 351 – 400 will qualify for 75% of bonus possible
 - d. A score of 401 – 450 will qualify for 90% of bonus possible
 - e. A score of 451 – 500 will qualify for 100% of bonus possible

Combining points & rating on a scale with 5 levels

Points	Rating	Meaning
451-500	5	outstanding performance
351-450	4	commendable performance
251-350	3	satisfactory performance
151-250	2	marginal performance
0-150	1	unsatisfactory performance



EXPLANATION OF LEVELS

- Level 5:** Outstanding performance: Performance far exceeds the standard expected of a member at this level. The incumbent has achieved exceptional results against all performance criteria agreed and has maintained this all year round.
- Level 4:** Performance significantly above expectations. Significantly higher than expected. Incumbent has achieved exceptional results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
- Level 3:** Fully effective. Performance fully meets the standard expected in all areas of the job. Incumbent has achieved results against all significant performance criteria and indicators and incumbent has achieved results significantly above expectation in one or two less significant areas.
- Level 2:** Performance is below standard required for the job in key areas (judge per weight etc). Incumbent has achieved adequate results against many key but not all others during the course of the year.
- Level 1:** Performance does not meet the standard expected for the job. The incumbent has not met one or more fundamental requirements and / or is achieved results that are below expectation in most result areas.

5.2.3 Suggested levels of reviews

Section 56 Management Reviews: It is intended that a review committee comprising of the municipal manager, a standing committee councilor of that department and an independent auditor who must be a member of the audit committee review their performance of a section 56 manager at least every second month, using his/her personal contract scorecard. Managers will be reviewed on their overall annual performance during the period 01 July and 30 July of every year to conclude the year ended 30 June and to determine salary progression moves and bonuses.

Departmental Reviews: It is intended that departments review their performance at least monthly, using their department scorecards and SDBIPs. Decision-makers should be immediately warned of any emerging failures to service delivery to ensure that they can intervene if necessary. It is important that departments use these reviews as a platform to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management coordinator. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant standing committee, in consultation with the Performance Management Coordinator.

Management Team Reviews: Departments have to report on their performance in the department scorecard format to the Municipal Manager and the Managers of departments every month. These reviews must also provide for section 56 managers to report on their individual scorecards to the municipal manager. In order to avoid duplication of reporting efforts the SDBIPs must also be reported at these platforms. Additional indicators that occur in the departmental scorecard & SDBIP should also be reviewed. The formulation of the process of review will be coordinated by the proposed performance management coordinator.

The Management Team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the Management Team can endorse these, for approval by the relevant standing Committee. The Management Team can delegate tasks to the performance management coordinator in developing an analysis of performance prior to Management Team reviews.

Standing Committee Reviews: Each Standing Committee is required to review the performance of their respective departments against their department scorecard every second month. The Standing Committee should appraise the performance targets. Where targets are not being met, the Standing Committee should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets that do not appear in the strategic scorecard may be proposed to and can only be approved by the relevant Standing Committee, in consultation with the IDP manager and Performance Management Coordinator (Strategic Planning Manager). Changes in indicators and targets that fall within the strategic scorecard will need to be approved by the EXCO / Council.

Executive Committee Reviews: On a quarterly basis, the Executive Committee is tasked to engage in an intensive review of municipal performance against both the department scorecards and the strategic scorecard, as reported by the Municipal Manager. This must also incorporate reviews based on SDBIPs in order to avoid duplication of reporting processes.

Many of the indicators in the strategic scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.

The review should reflect on the performance of services and the strategic scorecard. The Executive Committee will need to ensure that targets committed to in the strategic scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.



The review should also focus on reviewing the systematic compliance to the performance management system, by departments, Standing Committees and the Municipal Manager.

Incentives for Excellent Performance: It is the intention of the PMS framework that the Executive Committee not only pay attention to poor performance but also to good performance. It is expected of the Executive Committee to acknowledge good performance, where departments have successfully met targets in their department scorecards.

Council Reviews: At least annually, the Executive Committee is required to report to Council on municipal performance. This reporting takes place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

Public Reviews: The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Therefore in addition to the annual report mentioned above, user-friendly citizens' report is intended to be produced as part of our PMS for public consumption. The citizens' report has not yet been produced at our municipality but it is envisaged to be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

It is envisaged also that a public campaign shall be annually embarked on to involve citizens in the review of municipal performance. Such a campaign could involve the following methodologies:

- Ward committees would be reported to (once systems are developed fully) and submit their review of the municipality to council. The performance management team should be used to summarize this input.
- Various forms of media including radio, newspapers and billboards would be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.

The public reviews are planned to be concluded by a review by the Integrated Development Plan Representative Forum or Mayoral Imbizos.

5.2.4 Evaluation and improvement of the municipal PMS

The Municipal Systems Act requires the Sakhisizwe Local Municipality to annually evaluate its performance management system. At the end of the planning year cycle as part of the annual review of the municipality's IDP, the council must always evaluate:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system captured earlier in this document.
- The adherence of the performance management system to the principles captured earlier in this and those subscribed to in terms of the Batho Pele white paper discussed under section 3 of this document.
- Opportunities for improvement and a proposed action plan for areas to be revised.

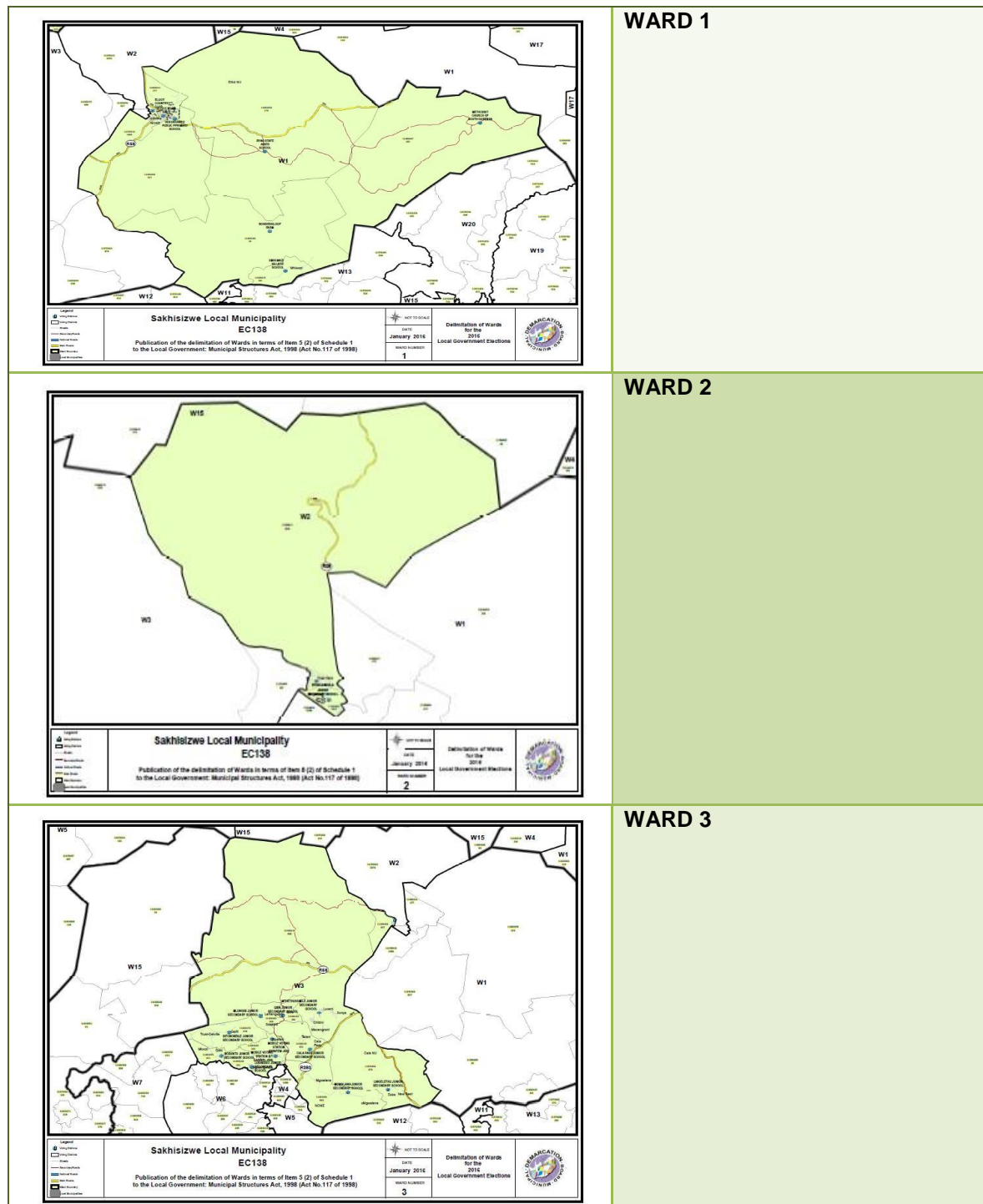
The process of implementing a performance management system in Sakhisizwe LM is viewed as a learning process, where we are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

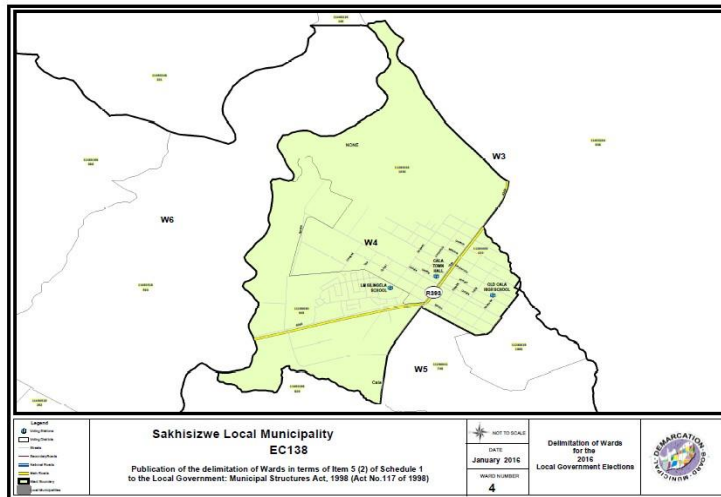


2.1.5 Ward Based Locality

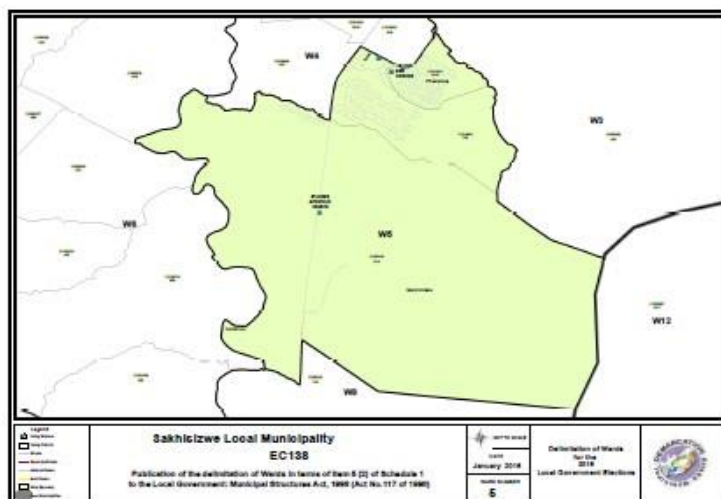
The Sakhisizwe Local Municipal Area consists of 9 Wards as reflected in the **Map 2.1.4** above. The main administrative centre is located in Cala (Ward 5). Khowa (Ward 1) serves as a secondary administrative centre with some offices like Budget and Treasury located there. Maps below will reflect locality of the Sakhisizwe Local Municipality in terms of each Ward:

GIVE BACKGROUND REGARDING WARDS AND WARD COMMITTEES

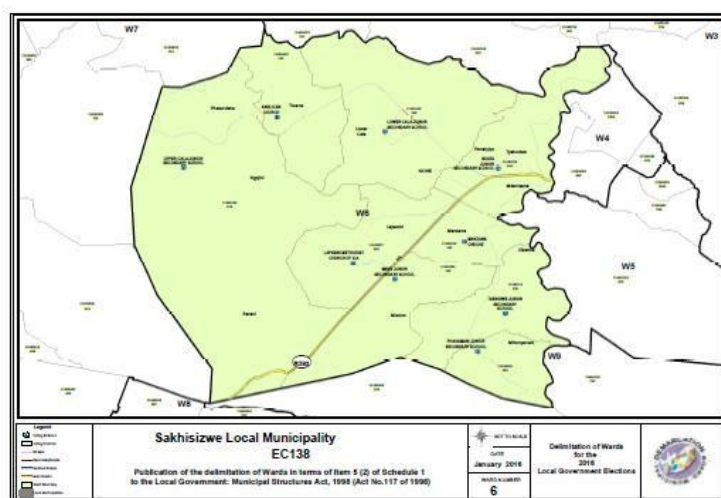




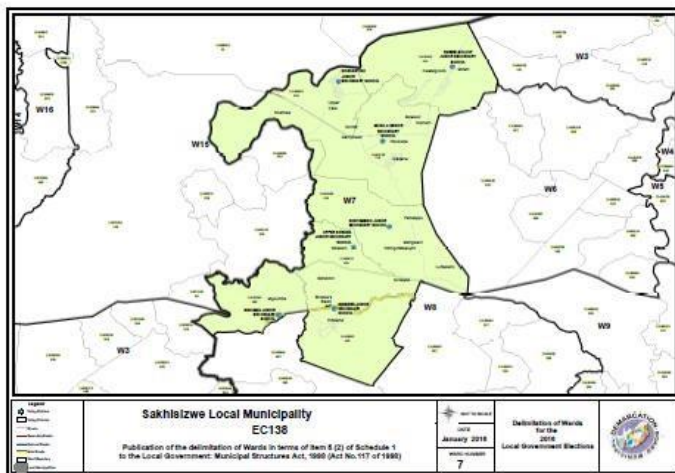
WARD 4



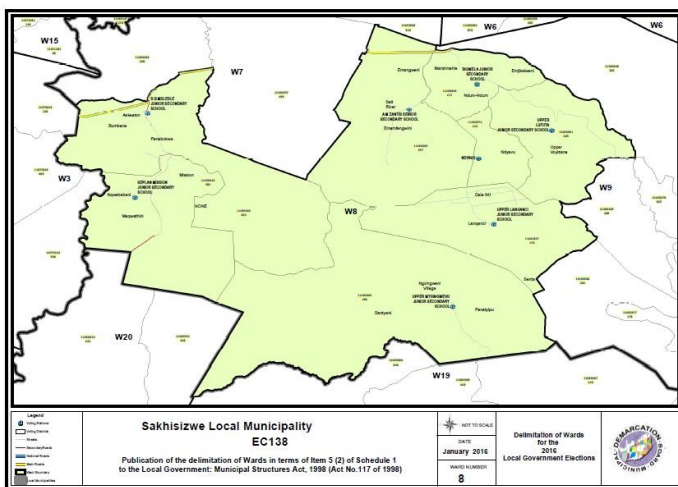
WARD 5



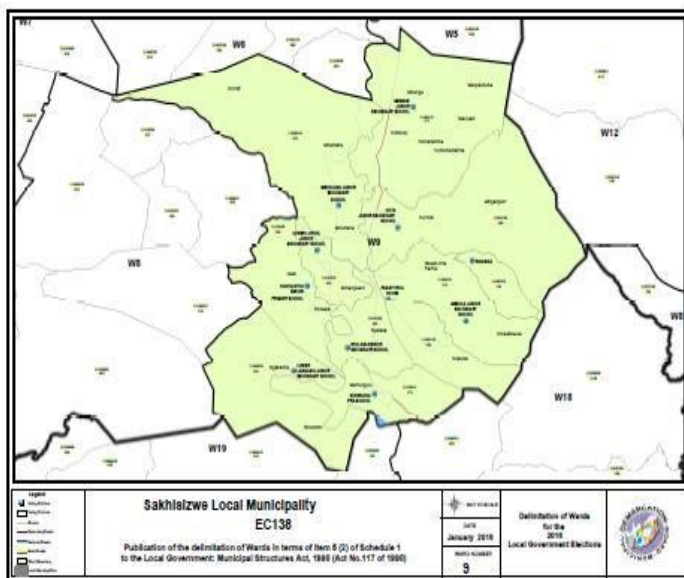
WARD 6



WARD 7



WARD 8

**WARD 9**